

MONTANA LEGISLATIVE HISTORY

Chapter 144 19 83

Bill H 18 S _____ Original bill & history ✓ C

H. Committee on Business & Industry

Hearing Date(s) Jan 19 ✓ C

Jan 20 ✓ C

_____ C

_____ C

Date Out Jan 20 ✓ C

S. Committee on Business & Industry

Hearing Date(s) Mar 02 ✓ C

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Mar 02 ✓ C

Did this bill originate in an interim committee? ____ Yes ____ No

Committee _____

Report _____

HOUSE BILL NO. 18

INTRODUCED BY HARRINGTON, DOZIER, DAILY, PAVLOVICH,
KEENAN, LYNCH, STIMATZ

IN THE HOUSE

January 3, 1983	Introduced and referred to Committee on Business and Industry.
January 4, 1983	On motion by Chief Sponsor Representatives Dozier, Daily, et al., were added as authors to the prefiled bill.
January 20, 1983	Committee recommend bill do pass as amended. Report adopted.
	Bill printed and placed on members' desks.
January 22, 1983	Second reading, do pass as amended.
January 24, 1983	Correctly engrossed.
January 25, 1983	Third reading, passed. Transmitted to Senate.

IN THE SENATE

January 26, 1983	Introduced and referred to Committee on Business and Industry.
March 2, 1983	Committee recommend bill be concurred in as amended. Report adopted.
March 4, 1983	Second reading, concurred in.
March 7, 1983	Third reading, concurred in. Ayes, 47; Noes, 1.

IN THE HOUSE

March 7, 1933

Returned to House with
amendments.

March 9, 1933

Second reading, amendments
concurred in.

March 10, 1933

Third reading, amendments
concurred in.

Sent to enrolling.

Reported correctly enrolled.

1 HOUSE BILL NO. 18
2 INTRODUCED BY HARRINGTON
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING A
5 MANUFACTURER TO HONOR THE EXPRESS WARRANTY ON A NEW MOTOR
6 VEHICLE; PROVIDING FOR REPLACEMENT OF OR REFUND FOR A NEW
7 MOTOR VEHICLE THAT DOES NOT CONFORM TO ITS WARRANTY AFTER A
8 REASONABLE NUMBER OF ATTEMPTS HAVE BEEN MADE TO CONFORM THE
9 VEHICLE TO ITS WARRANTY; EXTENDING THE WARRANTY PERIOD
10 BECAUSE OF DELAYS CAUSED BY DISASTERS; AND ALLOWING OTHER
11 REMEDIES."
12
13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
14 Section 1. Definitions. For purposes of this [act],
15 the following definitions apply:
16 (1) "Consumer" means the purchaser, other than for
17 purposes of resale, of a motor vehicle, any person to whom
18 the motor vehicle is transferred during the duration of an
19 express warranty applicable to the motor vehicle, or any
20 other person entitled by the terms of the warranty to the
21 benefits of its provisions.
22 (2) "Motor vehicle" means a vehicle propelled by its
23 own power, designed primarily to transport persons or
24 property upon the public highways, and sold in this state.
25 (3) "Warranty period" means the term of an express

1 agreement or the period ending 1 year after the date of the
2 original delivery to the consumer of a new motor vehicle,
3 whichever is earlier.

4 Section 2. Warranty enforceable. If a consumer
5 notifies the manufacturer or its agent or authorized dealer
6 during the warranty period that a new motor vehicle does not
7 conform to all applicable express warranties, the repairs
8 necessary to conform the new motor vehicle to the express
9 warranties shall be made by or at the expense of the
10 warrantor, regardless of the expiration of the warranty
11 period after notification of nonconformity is given by the
12 consumer.

13 Section 3. Replacement for nonconformity. (1) If after
14 a reasonable number of attempts the manufacturer or its
15 agent or authorized dealer is unable, during the warranty
16 period, to conform the new motor vehicle to any applicable
17 express warranty by repairing or correcting any defect or
18 condition that substantially impairs the use and value of
19 the motor vehicle to the consumer, the manufacturer shall
20 replace it with a new motor vehicle of the same model and
21 style and of equal value.

22 (2) As an alternative to replacement, the manufacturer
23 may accept return of the new motor vehicle from the consumer
24 upon refund to him of the full purchase price, including all
25 collateral charges less a reasonable allowance for the

1 consumer's use of the motor vehicle. The refund shall be
 2 paid to the consumer and to a lienholder, if any, in
 3 proportion to their interests. A reasonable allowance for
 4 use is an amount directly attributable to use by the
 5 consumer prior to his first report of the nonconformity to
 6 the manufacturer, agent, or dealer and during any subsequent
 7 period when the vehicle is not out of service because of
 8 nonconformity.

9 Section 4. Reasonable number of attempts. A reasonable
 10 number of attempts to conform a new motor vehicle to the
 11 applicable express warranties is presumed to have been made
 12 for purposes of [section 3(1)] if:

13 (1) the same nonconformity has been subject to repair
 14 four or more times by the manufacturer or its agent or
 15 authorized dealer during the warranty period but the
 16 nonconformity continues to exist; or

17 (2) the vehicle is out of service because of the
 18 nonconformity for a cumulative total of 30 or more days
 19 during the warranty period after notification of the
 20 manufacturer, agent, or dealer.

21 Section 5. Warranty extension. The warranty period of
 22 an express warranty is extended to equal the time that
 23 repair services are not available because of war or invasion
 24 or because of strike or fire, flood, or other natural
 25 disaster.

1 Section 6. Provisions nonexclusive. The provisions of
 2 this [act] do not limit the rights or remedies available to
 3 a consumer under any other law.

4 Section 7. Exhaustion of remedies under federal law.
 5 The provisions of [section 3] are not applicable against a
 6 manufacturer who has established an informal dispute
 7 settlement procedure in compliance with the provisions of
 8 Title 16, Code of Federal Regulations, part 703, as those
 9 provisions read on October 1, 1983, unless the consumer has
 10 first resorted to that procedure without satisfaction.

-End-

MINUTES OF THE MEETING
BUSINESS AND INDUSTRY COMMITTEE
MONTANA STATE SENATE

March 2, 1983

The meeting of the Business and Industry Committee was called to order by Chairman Allen Kolstad on March 2, 1983, at 10:15 a.m., in Room 404, State Capitol.

ROLL CALL: All members were present with the exception of Senator Fuller who was excused.

CONSIDERATION OF HOUSE BILL 18: An act requiring a manufacturer to honor the express warranty on a new motor vehicle; providing for replacement of or refund for a new motor vehicle that does not conform to its warranty after a reasonable number of attempts have been made to conform the vehicle to its warranty; extending the warranty period because of delays caused by disasters; allowing other remedies; exempting a dealer from liability; and providing an applicability date.

Representative Dan Harrington stated this is a necessary law that can affect anyone who buys a new vehicle. The second largest purchase is an automobile and this can amount to \$10,000 or more. It is his hope that in passing this bill we can enact a law to protect the consumer. With the millions of automobiles sold each year, the consumer has the right of satisfaction that House Bill 18 will give them. Before the buyer can take advantage of the law, however, they must meet criteria listed on page 2. The bill does provide redress to the consumer but they must show that the car is a true lemon. According to the FTC, car-related problems are the number one consumer complaint nationwide. Currently, Connecticut and California are the only states that have this law.

PROPOSERS TO HOUSE BILL 18: Arthur W. Schmidt stated he supports this bill. His written testimony is attached to the minutes.
(Exhibit No. 1)

Anna Bloom told about buying a Subaru and found it had vapor locks. She was told there was water in the gas. They made many trips to have the car fixed. She complained that the car had no power. They are retired and live on the budget. After they sold the Subaru they bought a Chevy Citation. They were so frightened that it might be another "lemon" they "got rooked" into getting insurance. She feels we need this bill.

C. R. Taylor told about purchasing a truck in Denver. It had severe vibrations and many other things wrong with it also. He took it back to the dealer, they checked everything on the truck and it still vibrated. They stated one way to cure it was to get rid of it or put a set of Michelin tires on it. He felt it did not need new tires. Upon moving to Helena they had it in the shop about 30 times. He tried going to the zone representative; however, he never returned the calls. After four phone calls he wrote a letter to the company with still no results. The dealer wrote a letter to the Pontiac Company. He then received an answer from the zone representative. They looked at the truck and it still wasn't any better. He talked with the zone representative and he stated nothing else could be done. Finally, he contacted

an attorney and they did some more work on it, but it still is not working right. He took it to the shop of his choice and they stated it was improperly manufactured. They now have a suit filed in Billings which will be heard in August 1983. He feels we need this kind of bill

Tina Longmire stated she supports this bill. Her written testimony is attached to the minutes. (Exhibit No. 2)

Becky Schneckloth stated they purchased a 1982 Citation and paid \$13,000 for it. It goes into the shop tomorrow for the 10th time. She does not think the bill goes far enough. There should be some type of compensation.

Robert Anderson, Montana Public Interest Research Group, stated he supports this bill. His written testimony is attached to the minutes. (Exhibit No. 3)

Jerry Raunig, Montana Automobile Dealers Association, stated he took a neutral position. He stated AUTOCAP was a program to handle consumer complaints on both new and used cars. It was started in December 1982 and follows national standards and is the only consumer office which is endorsed by the Consumer Affairs Division of the Department of Commerce. He passed out a brochure to the committee entitled AUTOCAP. (Exhibit No. 4) These are brochures which they give their customers. When a consumer has a problem they call the AUTOCAP number. The person who handles that telephone call tries to find out whether they have talked to the dealer himself. If at that point they cannot resolve the problem, the consumer is asked to send a written complaint to them. AUTOCAP then sends it to the dealer principal and they have ten (10) days in which to respond. If the complaint still cannot be resolved it then goes to a panel. The panel is composed of six people, 3 dealers and 3 consumers. There is a Chairman who is a dealer and he does not vote. The cases that go to the panel remain anonymous so that they can make an unbiased decision. He feels the program is working.

The following exhibits were turned in at the end of the meeting. Exhibits 5 through 10.

There were no further proponents and no opponents.

QUESTIONS FROM THE COMMITTEE: Senator Gage asked if all the dealers in Montana belong to AUTOCAP? Mr. Raunig stated all new car dealers belong to the program.

Senator Severson questioned why the bill was amended. He wondered why he took the dealer out of the bill. Frankly, the dealer is the one who can deal with the company better than the consumer. Representative Harrington stated he does not want the dealer to replace the automobile. He feels that is the manufacturers responsibility.

Senator Severson stated he has known times when dealerships have had trouble with the factory. In your experience with AUTOCAP how much help, if a dealer got to the point where he could not get the job

done, have they been to get the manufacturer to resolve the problem? Mr. Raunig stated they have not had serious problems yet. They have had a couple of minor cases where the first contact was "I don't want to do anything about it" but because of AUTOCAP the problem was resolved.

Senator Lee asked about recreational vehicles. Representative Harrington stated he has no problems excluding motor homes from this bill.

Senator Christiaens asked while they are talking about a reasonable number of attempts to repair, who makes that determination? Representative Harrington stated when they have exhausted all attempts they reach a certain point and the law will come into effect.

Senator Christiaens asked then is the dealer involved in making that decision or are you talking manufacturer? Mr. Raunig stated I think according to the way this bill is written, the determination would be made under section 7 of the bill on page 4.

Senator Gage asked in your research was your 1% just an arbitrary figure? Mr. Anderson stated it was merely an example.

Senator Severson stated I can see where the dealership is not doing the job but you could help put the pressure from the dealer to the manufacturer. Mr. Raunig stated he agrees with the philosophy and it is the same with AUTOCAP but they cannot do anything until they receive a written complaint and documentation.

In closing, Representative Harrington stated 1 out of 1,000 automobiles are lemons. He welcomes AUTOCAP and feels it will fall right in step with this bill. This bill gives protection to the dealer on a highly defective product and he goes along with any amendment as far as motor homes are concerned.

The hearing was closed on House Bill 18.

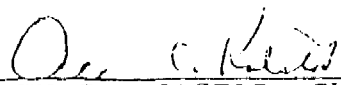
ACTION ON HOUSE BILL 18: Senator Dover made the motion that we have Staff Attorney, Greg Petesch, prepare the proper amendments to take out motor homes. Senator Gage seconded the motion.

After further discussion, the Committee voted, by voice vote, 7-2, with Senators Christiaens and Severson voting no, that the proposed amendment to HOUSE BILL 18 BE ADOPTED.

Senator Dover made the motion that House Bill 18 As Amended Be Concurred In. Senator Gage seconded the motion.

The Committee voted unanimously, by voice vote, that HOUSE BILL 18 AS AMENDED BE CONCURRED IN. Senator Christiaens will carry this bill on the floor.

ADJOURN: There being no further business, the meeting adjourned at 11:45 a.m.


ALLEN C. KOLSTAD, CHAIRMAN

STANDING COMMITTEE REPORT

March 2

19 83

PRESIDENT

MR.

BUSINESS AND INDUSTRY

We, your committee on

having had under consideration **HOUSE** Bill No. **18**

HARRINGTON (CHRISTIAENS)

Respectfully report as follows: That..... **HOUSE** Bill No. **18**
be amended as follows:

1. Page 2, line 4.

Following: "state."

Insert: "The term does not include a motor home as defined in
61-1-130."

AND AS AMENDED,

~~XXXXXX~~ BE CONCURRED IN

HOUSE BUSINESS & INDUSTRY COMMITTEE

Chairman, Rep. Jerry Metcalf, called the Business & Industry Committee to order on January 19, 1983, at 9:00 a.m. in Room 420 of the Capitol Building, Helena, Montana. All members were present except Rep. Ellerd who was excused.

HOUSE BILL 18

REP. DAN HARRINGTON, District 88, sponsor, opened by saying House Bill 18 can affect anyone who buys a new automobile, many times the second largest out-put of money that anyone makes. The consumer should expect a certain amount of quality from this product. The manufacturer and not the dealer should comply with the warranty. This bill will take the dealers off the hook. People will not be able to take advantage of this bill unless they have proven the problems exist. (Exhibit #1 is depositions of unsatisfied consumers)

PROPOSERS:

BRINTON MARKLE, Department of Commerce, Helena, said his department received 90 to 100 warranty complaints a year. Fifteen to twenty a year are unsolved. The only recourse these people have is to try to go to court. Before a consumer could use this bill, he would have to use the Magnuson-Moss Act which requires a trip to Denver. I have never heard of one of these procedures being used in this state. Warranties are totally voluntary statements by the manufacturer on his product. We now have Autocap and when we get a complaint, we send them to Autocap. If no satisfaction is received there, they would have to go to Denver. After that, then the thrust of HB 18 would take effect. There would be 3 or 4 steps he would have to take before he could utilize this bill. If the manufacturers showed good will toward this bill, I think it would speed things up.

THERESA NORDHOLM, consumer, Anaconda, testified she has had nothing but problems with her 1981 Toyota. After many excuses and tries at rectifying the problems, she asked for her money back but they said no. She is now making payments on a car she cannot use and does not feel safe in.

STEVEN SLAGLE, consumer, Clancy, explained the many problems he had with his AMC vehicle with no satisfaction. He feels that he has exhausted practically every avenue of recourse short of litigation and believes there is a definite need for HB 18. (Exhibit #2)

ANNA BLOOM, consumer, Anaconda, is very dissatisfied with her Subaru vehicle and stated she finally called Subaru of America and they told her they were sorry she was dissatisfied but there was nothing more they could do and the problem was now between her and her dealer. She finally sold the car, not in her home town as she did not want any of her neighbors to get stuck with her lemon.

January 19, 1983

Page 2

Business & Industry Committee

ROBERT ANDERSON, Montana Public Interest Research Group, Missoula, said it should be stressed that this Lemon Law is not an attack on the auto industry. It simply provides for the fact that, in a mechanized process such as automobile production, quality control measures notwithstanding, a few "lemon" units are bound to get through, and the consumer should be protected against having to foot the bill for these. (Exhibit #3)

JERRY RAUNIG, Montana Automobile Dealers Association, said his organization was not taking a stand on this bill. He was here only to explain the Autocap Program now in effect all over the state. They are requesting dealers to put brochures on Autocap in the glove compartment of all their new cars. (Exhibit #4). The object of his program is to put consumers in contact with dealers. They have a panel made up of three dealers and three consumer representatives. Since their organization began in December 1982, they have received 23 phone complaints and 5 written complaints. Four have been closed by the Autocap staff; one in favor of the dealer, two in favor of the consumer and one compromise.

OPPONENTS:

TOM SCHWERTFEGER, Motor Vehicle Manufacturers Association, Denver, said he recognized there were problems but suggested there were other mechanisms available besides legislation to solve them.

1. The Manufacturer's Transport System which could require a trip to Denver, and 2. The Autocap program. Ultimately this bill would be a legal remedy and would require a lawyer. The costs are going to be passed on to the consumer. Their recommendation is to allow the Autocap Program to work. He submitted amendments which he feels would make the bill more workable. (Exhibit #5)

REP. HARRINGTON: I hope you will not just look at this bill and put it off for a while. The consumer needs this bill. I think Montana should be the fourth state to pass this bill.

QUESTIONS:

REP. LYBECK: Mr. Raunig, who is going to appoint the panel for Autocap? Mr. Raunig: It has been done through the Montana Automobile Dealers Association. They selected them last April.

REP. JENSEN: Is there any provision in Autocap that it demand the manufacturer to give a person a new car? Mr. Raunig: They could recommend that.

REP. SAUNDERS: Mr. Schwertfeger, do you think it's fair to the consumer to have to go to the expense of the courts to get satisfaction on a lemon? Mr. Schwertfeger: No, sir, I do not. That's why we are in favor of arbitration that is available. There is no expense to the consumer to take part in the Autocap Program.

House Committee Amendments suggested to House Bill 18 by Motor Vehicle Manufacturers Association of U. S. before the Montana House Business and Industry Committee, January 18, 1983.

AMEND HOUSE BILL 18 AS FOLLOWS:

Amendment No. 1

On Page 1, line 17, after the word "vehicle," insert the following:
"normally used for personal, family or household purposes".

Amendment No. 2

On Page 1, line 23, delete the word "or" and at the beginning of line 24, delete the word "property".

Amendment No. 3

On Page 2, line 5, after the word "notifies", add the words "in writing" and at the end of line 5, delete the words "or authorized dealer".

Amendment No. 4

On Page 2, line 18, before the word "value", insert the word "market".

Amendment No. 5

On Page 2, line 20, delete the word "new" and substitute in lieu thereof the word "comparable" and in line 20, after the word vehicle, delete the remainder of the line.

Amendment No. 6

On Page 2, at the beginning of line 21, delete the words "style and" and at the end of line 21, after the word "equal", add the word "market".

Amendment No. 7

On Page 2, line 25, delete the words "collateral charges" and insert in lieu thereof the words "sales tax, license fees, registration fees and any similar governmental charges".

Amendment No. 8

On Page 3, line 5, after the word "consumer", insert the words "and any previous consumers" and in line 5, after the word "first", add the word "written".

Amendment No. 9

On Page 3, line 6, delete the words and punctuation ",agent, or dealer" and insert in lieu thereof, "or its agent".

Amendment No. 10

On Page 3, line 18, after the word "more", add the word "business".

Amendment No. 11

On Page 3, at the end of line 25, add the following:

"In no event shall the presumption herein provided apply against a manufacturer unless the manufacturer has received prior written notification from or on behalf of the consumer and has received an opportunity to cure the alleged defect."

Amendment No. 12

On Page 4, line 7, after the word "in", add the word "substantial".

Amendment No. 13

On Page 4, after line 10, insert the following:

"Section 8. Any action brought under this act shall be commenced within six months following (1) expiration of the express warranty term or (2) one year following the date of original delivery of the motor vehicle to the consumer, whichever is the earlier date."

SUGGESTED AMENDMENTS TO HB18

Amendment #1

Page 2, line 19, after consumer, add "or that a non-conformity is the result of abuse, neglect or unauthorized modifications or alterations of a motor vehicle by a consumer."

Amendment #2

Page 3, line 16, after exist; delete the word "or" replace with "and"

Amendment #3

Page 3, line 18, after total of, change 30 or more days to "60 or more days".

Amendment #4

Page 4, line 10, after procedure, delete "without satisfaction".

Amendment #5

Page 4, line 11, add new section 8:

"Nothing in this act shall be construed as imposing any liability on a dealer or creating a cause of action by a consumer against a dealer under Section 3 of this Act."

Amendment #6

Add new Section 9: "This act shall apply only to covered motor vehicles purchased after its effective date".

48th

LEGISLATIVE SESSION

COMMITTEE ON BUSINESS AND INDUSTRY

HOUSE BILL NO.	ENTERED COMM.	DATE CONSIDERED	OUT OF COMM.	DO PASS DATE	DO NOT PASS DATE	DO PASS AS AMEND. DATE	BE CON- CURRED IN DATE	BE CONC. IN AS AMENDED DATE	BE NOT CON- CURRED IN DATE
HB 18	1-26-83	3-2-83	3-2-83					3-2-83	
HB 20	1-14-83	1-17-83	1-17-83				1-17-83		
HB 63	1-18-83	1-24-83 1-28-83	1-28-83				1-28-83		
HB 64	1-18-83	1-24-83	1-24-83				1-24-83		
HB 100	3-1-83	3-22-83	3-22-83					3-22-83	
HB 106	1-26-83	2-7-83	2-7-83				2-7-83		
HB 132	1-28-83	2-2-83	2-2-83				2-2-83		
HB 134	1-28-83	2-2-83	2-2-83						2-2-83
HB 158	1-27-83	3-7-83	3-7-83					3-7-83	
RETURNED HB 158	3-7-83	3-8-83	3-8-83						3-8-83
HB 190	1-25-83	2-4-83 2-11-83	2-11-83				2-11-83		
HB 193	3-25-83	3-25-83	3-25-83				3-25-83		
HB 213	2-8-83	3-23-83 3-25-83	3-25-83				3-25-83		
HB 218	1-31-83	3-9-83	3-9-83				3-9-83		
HB 219	1-28-83	3-9-83	3-9-83					3-9-83	
HB 229	1-29-83	3-7-83	3-7-83				3-7-83		

HOUSE BUSINESS AND INDUSTRY COMMITTEE

Chairman, Rep. Jerry Metcalf, called the Business & Industry Committee to order on January 20, 1983, at 8:00 a.m. in Room 420 of the Capitol Building, Helena, Montana. All members were present.

HOUSE BILL 18 EXECUTIVE SESSION:

REP. WALLIN: After 40 years in the automobile industry, I have as much understanding of it as anyone. I have found some faults in HB 18 one being that you must notify the dealer - this is a manufacturer problem. Many times the dealer and the manufacturer don't agree. The person should notify the factory himself or their agent. Also, replacing with an identical vehicle is a problem. Many models are discontinued. This bill would require lawyers for enforcement. California excludes vehicles like motor homes and off the road vehicles. The cash settlement should not be determined by the sticker price - too many variables in the final price actually paid for the vehicle. Autocap will take care of most problems instead of a bill that will require attorneys to settle the matter.

REP. LYBECK: Maybe we need a motion before we start. Perhaps we shouldn't get into all these amendments. Two out of three complaints yesterday were on foreign cars. Maybe that's the problem. I move to DO NOT PASS HB 18.

REP. METCALF: This bill addresses a recurring problem with the manufacturer warranties that cannot be solved.

REP. FABREGA: I realize there are amendments needed with this bill but I think this would give Autocap more incentive to work on problems.

REP. HANSEN: Rep. Wallin, have you as a dealer ever given a new car to an unsatisfied customer? Rep. Wallin: Maybe one or two. Rep. Hansen: Does the factory make that good to you? Rep. Wallin: No.

REP. HARPER: I would like to go through the amendments that Mr. Schwertfeger offered. (Exhibit #1)

Amendment #1: Following "vehicle" Insert: "that has not been brought into nonconformity as the result of abuse, neglect or unauthorized modifications or alterations by the purchaser"
So Moved - PASSED UNANIMOUSLY.

Amendment #2: Page 2, line 5, Following: "notifies" Insert: "in writing" - Following: "agent" Strike: "or authorized dealer"
So Moved - PASSED UNANIMOUSLY.

Amendment #3: Page 2, line 18, Following: "and" Insert: "market"
Following: "value" Insert: "or safety"
So Moved - PASSED - Rep. Pavlovich voting no.

STANDING COMMITTEE REPORT

Page 1 of 3

January 20

1983

Speaker:
MR.

Business & Industry

We, your committee on

having had under consideration House Bill No. 13

first reading copy (white)
color

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING A MANUFACTURER TO HONOR THE EXPRESS WARRANTY ON A NEW MOTOR VEHICLE; PROVIDING FOR REPLACEMENT OF OR REFUND FOR A NEW MOTOR VEHICLE THAT DOES NOT CONFORM TO ITS WARRANTY AFTER A REASONABLE NUMBER OF ATTEMPTS HAVE BEEN MADE TO CONFORM THE VEHICLE TO ITS WARRANTY; EXTENDING THE WARRANTY PERIOD BECAUSE OF DELAYS CAUSED BY DISASTERS; AND ALLOWING OTHER REMEDIES."

House 13
Respectfully report as follows: That..... Bill No.

Be amended as follows:

Title, line 10
Strike: "AND"

Title, line 11
Following: "AND "REMEDIES"
Insert: "; EXEMPTING A DEALER FROM LIABILITY; AND PROVIDING AN APPLICABILITY DATE"

Page 1, line 17
Following: "vehicle"
Insert: "that has not been brought into nonconformity as the result of abuse, neglect or unauthorized modifications or alterations by the purchaser"

Page 2, line 5
Following: "notifies"
Insert: "in writing"

xxPass
DO PASS
Following: "agent"
Strike: "or authorized dealer"

Amendment #4: Page 2, line 21, Following: "value" Insert:
", unless, for reasons of lack of availability, such replacement
is impossible, with a vehicle of comparable market value"
So moved - PASSED UNANIMOUSLY.

Amendment #5: Page 2, line 25, Strike "collateral charges"
Insert: "sales tax, license fee, registration fees, and any
similar governmental charges"
So moved - PASSED UNANIMOUSLY.

Amendment #6: Page 3, line 5, Following: "consumer" Insert:
"and any previous consumers" Following: "first" Insert: "written"
So moved - PASSED UNANIMOUSLY.

Amendment #7: Page 3, line 6, Following: "manufacturer"
Strike: ", agent or dealer" Insert: "or its agent"
So moved - PASSED UNANIMOUSLY.

Amendment #8: Page 3, line 17, Following: "because of"
Strike: "the"
So moved - PASSED UNANIMOUSLY.

Amendment #9: Page 3, line 18, Following: "more" Insert:
"business"
So moved - PASSED UNANIMOUSLY.

Amendment #10: Page 3, line 25, Following: "disaster." Insert:
"The presumption provided herein may not apply against a man-
ufacturer who has not received prior written notification from
or on behalf of the consumer and has not had an opportunity to
cure the alleged defect."
So moved - PASSED UNANIMOUSLY.

Amendment #11: Page 4, line 7, Following: "in" Insert:
"substantial"

So moved - PASSED - Rep. Hansen, Rep. Pavlovich, Rep. Kadas,
Rep. Nisbet, Rep. Howe, Rep. Bachini voting no.

Amendment #12: Page 4, following line 10, Insert: "Section 8.
Dealer exemption. Nothing in [this act] imposes any liability
on a dealer or creates a cause of action by a consumer against
a dealer under section 3. Section 9. Applicability. [This
act] applies only to covered motor vehicles purchased after
October 1, 1983." So moved - PASSED UNANIMOUSLY.

REP. FABREGA: I make a substitute motion that House Bill 18
DO PASS AS AMENDED.

REP. WALLIN: I want you to know that I will vote for the amended
bill.

Motion passed by unanimous vote.

REP. FABREGA: I move that House Bill 175 be tabled until a
later date. Motion passed by unanimous vote.

Page 2, line 13

Following: "and"

Insert: "market"

Following: "value"

Insert: "or safety"

Page 2, line 21

Following: "value"

Insert: ", unless, for reasons of lack of availability, such replacement is impossible, with a vehicle of comparable market value"

Page 2, line 25

Before: "less"

Strike: "collateral charges"

Insert: "sales tax, license fee, registration fees, and any similar governmental charges"

Page 3, line 5

Following: "consumer"

Insert: "and any previous consumers"

Following: "first"

Insert: "written"

Page 3, line 6

Following: "manufacturer"

Strike: ", agent or dealer"

Insert: "or its agent"

Page 3, line 17

Following: "because of"

Strike: "the"

Page 3, line 18

Following: "more"

Insert: "business"

Page 3, line 25

Following: "disaster;"

Insert: "The presumption provided herein may not apply against a manufacturer who has not received prior written notification from or on behalf of the consumer and has not had an opportunity to cure the alleged defect."

Page 4, line 7

Following: "in"

Insert: "substantial"

January 20

83

19.....

Page 4, following line 10

Insert: "Section 3. Dealer exemption. Nothing in [this act]
imposes any liability on a dealer or creates a cause of action
by a consumer against a dealer under section 3.
Section 9. Applicability. [This act] applies only to covered
motor vehicles purchased after October 1, 1933."

AND AS AMENDED
DO PASS

House Committee Amendments suggested to House Bill 18 by Motor Vehicle Manufacturers Association of U. S. before the Montana House Business and Industry Committee, January 18, 1983.

AMEND HOUSE BILL 18 AS FOLLOWS:

Amendment No. 1

On Page 1, line 17, after the word "vehicle," insert the following:
"normally used for personal, family or household purposes".

Amendment No. 2

On Page 1, line 23, delete the word "or" and at the beginning of line 24, delete the word "property".

Amendment No. 3

On Page 2, line 5, after the word "notifies", add the words "in writing" and at the end of line 5, delete the words "or authorized dealer".

Amendment No. 4

On Page 2, line 18, before the word "value", insert the word "market".

Amendment No. 5

On Page 2, line 20, delete the word "new" and substitute in lieu thereof the word "comparable" and in line 20, after the word vehicle, delete the remainder of the line.

Amendment No. 6

On Page 2, at the beginning of line 21, delete the words "style and" and at the end of line 21, after the word "equal", add the word "market".

Amendment No. 7

On Page 2, line 25, delete the words "collateral charges" and insert in lieu thereof the words "sales tax, license fees, registration fees and any similar governmental charges".

Amendment No. 8

On Page 3, line 5, after the word "consumer", insert the words "and any previous consumers" and in line 5, after the word "first", add the word "written".

Amendment No. 9

On Page 3, line 6, delete the words and punctuation ",agent, or dealer" and insert in lieu thereof, "or its agent".

Amendment No. 10

On Page 3, line 18, after the word "more", add the word "business".

Amendment No. 11

On Page 3, at the end of line 25, add the following:

"In no event shall the presumption herein provided apply against a manufacturer unless the manufacturer has received prior written notification from or on behalf of the consumer and has received an opportunity to cure the alleged defect."

Amendment No. 12

On Page 4, line 7, after the word "in", add the word "substantial".

Amendment No. 13

On Page 4, after line 10, insert the following:

"Section 8. Any action brought under this act shall be commenced within six months following (1) expiration of the express warranty term or (2) one year following the date of original delivery of the motor vehicle to the consumer, whichever is the earlier date."

STATUS SHEET

BUSINESS & INDUSTRY COMMITTEE

48 Legislature

Bill No.	Subject Matter	Date In	Sponsor	Hearing Date	Committee Action	Date Out
HB 14	An act revising & clarifying laws relating to business & labor	1-3-83	Vincent.	1-5-83	do pass consent calendar	1-5-83
HB 18	An act requiring manufacturers to honor warranties & allowing other remedies	1-3-83	Harrington	1-19-83 9:00	do pass amended	1-20
HB 20	An act to revise the laws relating to Building & Loan Associations	1-3-83	Fabrega	1-6-83	do pass	1-6-83
HB 38	An act to authorize the Board of Plumbers to issue permits & inspect plumbing installations	1-3-83	Pavlovich	1-10-83 9:00 a.m.	do NOT pass	1-10-83
HB 63	An act removing provision making the elimination of usury limits under Mont. Retail Installment Sales	1-3-83	Fabrega	1-13-83 9:00 a.m.	do pass	1-13-83
HB 64	An act removing the provision making the elimination of usury limits to regulated lenders temporary - plus amendments	1-3-83	Fabrega	1-13-83 9:00 a.m.	do pass	1-13-83

VISITOR'S REGISTER

HOUSE

H I

COMMITTEE

BILL

H 18

DATE

1-19-83

SPONSOR

NAME	RESIDENCE	REPRESENTING	SUP- PORT	OP- POSE
Robert Anderson	301 1/2 Plaine Mola	MONT PIRG	✓	
Gordon Bruce	Helena, MT.		—	—
Tom Schaeffer	DENVER, CO	MOTOR VEHICLE MANUFACTURERS ASSOC.		✓
P. Hinkle	Helena	Dept. of Commerce	✓	
P. C. Brown	Anaconda	himself	✓	
Anna Brown	Anaconda	himself	✓	
Theresa Nordholm	Anaconda	himself	✓	
Deidre Slagle	Clancy	" "	✓	
Steven E. Slagle	Clancy	Self	✓	
Yvonne G. Gills	Philipsburg	self		
John K. K. K.	Helena	MT Auto Dealers Assoc - neutral		
P. G. HADAMC	Helena	MT Motor Carriers Assoc		
W. H. H. H.	Helena	Common Cause	✓	
John DeBelt	Butte - Helena	NO-one	✓	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

DEPARTMENT OF COMMERCE
DIVISION OF BUSINESS AND PROFESSIONAL LICENSING
CONSUMER AFFAIRS UNIT
1424 9TH AVENUE
HELENA, MONTANA 59620
(406)449-2163

EXHIBIT 01
RECEIVED
FEB 25 1982

Ted Schwinden, Governor

Gary Buchanan, Director

Brinton B. Markle, Attorney/Unit Manager
Jerome D. Wines, Administrative Officer
Deanne R. Moore, Complaint Analyst

CONSUMER COMPLAINT

(Please print or type)

Party Complained - General Motors -
of Elmore Buick

Your Name Wayne Kahm

Street Address 800 E Park

Street Address 1220 Bonine Dr. #35

City ANCONA Mont 59711
(State) (zip code)

City Havre Mont 59501
(State) (zip code)

Telephone No. 563-5256

Telephone No. (Home) 265-6433
(Business)

Date of Transaction 6-23-81

Manager or Salesperson Errol Silveas

PRODUCT OR SERVICE INVOLVED 1981 Buick Regal
(Model #) (Serial #) 1G4AM47F4B21235

Purchase Price of Product \$ 10,927.00

Approximate Cost of Repair or Replacement \$ 10,927.00

WAS A CONTRACT SIGNED? Yes (☒) No () (If so, please attach copy)

IF YOUR COMPLAINT RELATES TO FALSE ADVERTISING OR DECEPTIVE TRADE PRACTICES, INDICATE WHEN AND WHERE THE PRODUCT OR SERVICE WAS ADVERTISED. (If possible, attach a copy of the advertisement.)

WAS A WARRANTY ISSUED? Yes (☒) No () (If so, please attach a copy)

FINANCIAL INSTITUTION INVOLVED, IF ANY

NAME(S) AND ADDRESSES OF ANY OTHER WITNESSES:

REFERRED BY: (Name and address of private attorney or legal aid group, etc.)

(COMPLETE REVERSE SIDE OF THIS PAGE)

7 = #1518

YOU CONTACTED THE PARTY COMPLAINED OF? Yes (X) No ()
YOU RETAINED A PRIVATE ATTORNEY? Yes () No (X)

EXPLAIN THE NATURE OF YOUR COMPLAINT. (Describe events in the order in which they occurred. Use additional pages if necessary.)

asked plastic panel in back seat (replaced) paint coming off new panel. Both door windows squeak & rattle, dashboard rattles. Stronic part in the car heater that measures the amount of fuel sent out, (replaced.) The day after we got the car back, four days went out. The car was in the shop for ^{3 weeks} ~~one week~~. The day we got it back, it still wasn't running right and we barely drove it home. We took it back to the shop and this time they had it for a month. We got the car back and it still isn't running right. The service manager said, that was all he could do to fix it, we would have to take it back to where it was repaired the first time - which is 30 miles away. The car is under warranty by GM. We do not think the car will make the trip or that we should have to take the car elsewhere to be repaired. The day after we picked the car, we requested the relief you desire, i.e., cancellation of contract, refund, repair, etc.
refund or replacement:

I hereby authorize the use of my name in investigating the company or individual complaint of which I am the complainant, or in the referral of the complaint to other regulatory agencies. I have read all the material contained in the complaint and hereby affirm that it is true and complete to the best of my knowledge.

DATE: July 23, 1982 SIGNED: Rebecca Kahn

Please attach copies of all documents that have a direct bearing on the complaint.)

Diacorda Chuplev -

1-18-80

Transmission - gear box noise
Rings out at 1000 rpm - 2000 rpm
Motor slip - don't get beneath drive
Idles - fast. Then slows down. Judds
Auto choke - don't want to go to
full throttle.
Wind shield drives into driver side
top not right -
when running at a bit squeal in motor
This isn't a shift place.

Hane S.C. says got his truck
with about \$1000 worth of

Copy of Bill to factory - what I signed

Called Tom & Mary at this 1/18/80

1-5637400

BRING TRUCK OVER MORNING
OF 24TH JANUARY

DO NOT FORGET

when 70.75

Butte, Montana 59701

April 21, 1980

Anaconda Chrysler Center

600 East Park

Anaconda, Montana 59711

Gentlemen;

Purchased from your firm on July 7, 1979 One (1) Dodge W200, No #27JF9C142606 which was returned twice 12/5/79 and 1/24/80 for service of malfunctioning of Motor, Transmission, Windshield, steering and other related items.,

3000 miles, rebuilt Motor, rebuilt Transmission, windshield and other items, vehicle still not repaired properly.,

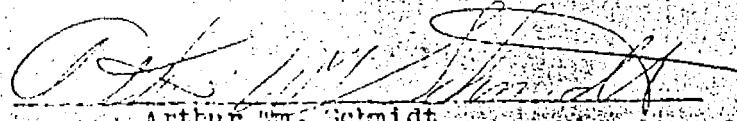
Two (2) phone calls to Tom Hekkel on situation, Factory man will be here with-in a few days to take care of things, three (3) gone by, nothing, Franky ignored, hence, New Transmission, other items taken care of, or new truck, also truck to be used while situation cleared up.,

Having waited patiently, and nothing right coming in in the event of an accident due to mechanical failure, holding both you and Chrysler Corporation accountable.,

Should this matter go beyond April 30, 1980, then I will have no alternative but take action which I hope won't be necessary .,

Thank You.,

Sincerely,



Arthur W. Schmidt
917 Utah Ave.
Butte, Montana 59701

(4)

copy to OB and...

Handwritten notes:
B... Tele... C-11899
Trans... C-11480
Ed. S. ... 4/23/80

Butte, Montana 59701

May 15, 1980

Mr. L.A. Iacocca
Chrysler Center
P.O. Box 857
Detroit, Mich 48268

Dear Mr. President of Chrysler

Sir;

I'm rather upset with the actions of getting a truck purchased in July 17, 1979 repaired, so since seeing you on T.V. telling us how you stand behind autos & etc guess your the one to write to.,

Now this truck has 2700 miles on it, yup, Motor needed new piston, etc, transmission new fork and what have you with other faults auto choke, and is still a mess, as an example trying to get some shifting down from second to low or 3 down to 2 going down almost breaks your arm to get in and mostly no go.,

So I complain as noted by inclosed sheet going to get service supposedly, as 2 phone calls yup service guy coming in, nothing, now I ask you how would you like to be held dangling., so I sends my letter, and almost a month later, yup nothing, kinda makes for getting mad.,

Then thinking same over says to myself maybe the guy on top don't know what's goig on so I'll just write a letter to him to see what will happen, personally I think this is the reason your outfit is going to hekk, no one cares so when he gets this some wheels might turn.,

Would you believe it I'm thinking if we stail long enough the warranty will be up then he can go to hell and since you look like the kinda guy whod doesn't want to be shafted , lets see if this applies to customer.,

Anyway I feel with a truck that at 2700 miles has the motor rebuilt, transmission same and etc, and still don't work right should get something for his money including an extension on warranty.,

Yup I'll wait for your answer and thanks for same.,

Yours,



Arthur W. Schmidt
917 Utah Ave
Butte, Montana 59701

1. copy purchase
2. copy work sheet
- 3 letter to Iacocca signed

5

Arthur W. Schmidt Chrysler

SERVICE & PARTS DIVISION

CHRYSLER
CORPORATION

June 19, 1980

Arthur W. Schmidt
917 Utah Avenue
Butte, MT 59701

Dear Mr. Schmidt:

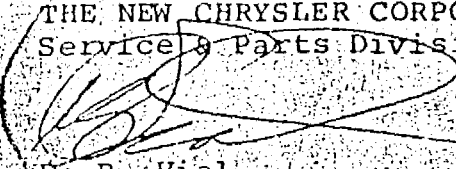
Thank you for your recent letter.

In order to assist you, we are forwarding a copy of your inquiry to the Dealership you have indicated for their review and handling.

We have also contacted our District Manager in that area so that he may provide any technical assistance that this Dealership may need to resolve your inquiry.

1. We request that you, first of all, contact Tom Heckel at Anaconda Service and review your request.
2. Our District Manager has been asked to contact this Dealership with technical assistance required and to provide our office with a concluding report.

Respectfully yours,

THE NEW CHRYSLER CORPORATION
Service & Parts Division
D. B. Vial

Customer Relations Manager

DBV/dmm

cc: Anaconda Service
D. E. Kuykendall

copy to C. J. Smith - 6/23/80
5-B

Butte, Montana 59701
917 Utah Ave

July 14, 1980

Mr. D.B. Vial
Custom Relations Mgr
Chrysler Corporation
10030 So. West Allen Blvd
Beaverton, Oregon 97005

Dear Sir;

I am in receipt of yours dated June 18, 1980 where-in you were going to make an appointment concerning one Dodge 200 transmission and service.,

Nothing, so on June 26th contacted Mr. Tom Hekkel of Anaconda Chrysler concerning contacting me, of which he knew nothing, but would contact your office and have someone contact me, again Nothing.,

Took truck down to him on 30th, showed him your letter, he said none such received but would again see what could be done and as of this date I'm very unhappy with response or action and Mr Hekkel informs me that with out your say-so his hands are tied;

Mr. Hekkel informed me that regardless of time element said Dodge truck would be service under warranty and to my satisfaction;

Mr. Vial, I have owned and driven Dodges in both car and truck and presently have 3 vehicles in operation and I find that this particular truck a lemon, 2700 miles, already the motor rebuilt, transmission rebuilt and frankly still no good.,

I am patient but now request a definite answer, do or do you not intend to service this vehicle and when.,

Sincerely,

Arthur M. Schmidt

C.U

Tom Hekkel
Anaconda Mtrs



July 18, 1980

Arthur W. Schmidt
917 Utah Avenue
Butte, Montana 59701

Dear Mr. Schmidt:

In answer to your recent communication directed to Chrysler Corporation, we would appreciate the following information, as indicated below, at your earliest convenience.

Telephone number where you can be reached Monday through Friday between 8:30 a.m. and 5:15 p.m. 1-406-792-3028

Serial number of Vehicle W27JF9C142606

Date of Delivery 7/17/79

Current Mileage 4065.7 AS OF 7/24/80

Servicing Dealer ANACONDA CHRYSLER

Selling Dealer ANACONDA CHRYSLER

As soon as this information is received, we will be able to completely review and evaluate your file and bring this to a proper conclusion.

Respectfully yours,

THE NEW CHRYSLER CORPORATION
Service & Parts Division

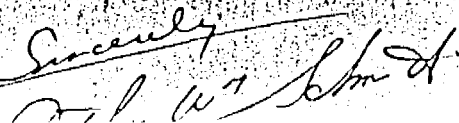

A. Jones-Eissler
Customer Relations Specialist

AJE:dmm

GENTLEMEN —

7/24/80

I AM TIRED OF THE RUN-A-ROUND
AND IF'S AND ANDS - REFER BACK TO MINE
7-14-80 - LAST SENTENCE

Sincerely,


LAWRENCE G. STIMATZ

ATTORNEY AT LAW

512 METALS BUILDING

BUTTE, MONTANA 59701

September 11, 1980

Mr. Lee A. Iacocca, President
New Chrysler Corporation
Chrysler Center
P.O. Box 857
Detroit, MI 48288

Re: Arthur Wm. Schmidt - Butte, Montana
Repairs Under Warranty

Dear President Iacocca:

I am the attorney for Mr. Arthur Wm. Schmidt, purchaser and owner of a 1979 Dodge W200 4 x 4 in his claim against Chrysler to repair or replace a defective transmission under warranty.

I am enclosing copies of the following letters:

- | | | | |
|----|---------|---------------|---|
| 1. | 9-11-80 | Stimatz | to Zone Service Office
D. B. Vial
Beaverton, OR |
| 2. | 5-15-80 | Schmidt | to Iacocca |
| 3. | 7-14-80 | Schmidt | to D. B. Vial |
| 4. | 7-18-80 | Jones-Eissler | to Schmidt |
| | 7-24-80 | Schmidt | to Jones-Eissler |
| 5. | 6-19-80 | Vial | to Schmidt |

We are just trying to get a defective transmission repaired or replaced under the warranty on a truck that sold for \$9,600.00 on July 17, 1979. Mr. Schmidt just recently hired me on this matter.

There is no dispute between buyer and selling Dealer about the malfunctioning of the transmission. The hang-up seems to be with the Chrysler Zone Service Office at Beaverton, Oregon.

I am writing you as President because of the current TV ads and the ones in May in which you appear quite sincerely to be saying "Chrysler will treat you right." I doubt if this letter will reach your attention by September 19, 1980 (or ever) but it just might reach someone in Detroit who will straighten the Chrysler employees in Beaverton out and have Mr. Schmidt's truck properly fixed under the warranty.

Very truly yours,

copy to Cash & Co. L. G. Stimatz

STATEMENT OF C. R. TAYLOR

IN FAVOR OF HOUSE BILL 18

There is already national legislation that was enacted several years ago for consumer protection. It is the Magnuson-Moss Warranty Act. Briefly, it enables the purchaser of a new consumer product to sue the manufacturer if that product is defective and the defects are not corrected by the manufacturer. If the consumer proves to the court that the manufacturer is at fault and fails to correct the defect, it can be liable to pay up to triple the amount of damages claimed.

This all sounds good for the consumer, but there is a slight hitch. First, the consumer must try to reach a satisfactory agreement with the manufacturer through the normal warranty procedures. If this fails, then the consumer has to retain an attorney to represent him and take care of all of the legal aspects. This can be a long drawn out, expensive process.

Here are the main reasons I feel that Montana needs strong consumer protection laws like House Bill 18.

In August of 1980 I purchased a new Pontiac Sunbird automobile out of state, where I then resided. It had a severe vibration from 35 miles per hour and up. It also had numerous other defects. For example, the heater didn't work, cold air comes in around where the heater fastens to the firewall, the windows leaked, etc., etc. The car was taken into General Motors shops for corrections of these defects starting the first week I owned the car. The shops did fix the leaking windows, but I had to fix the heater myself after the shop had tried three times. Also, I stopped the cold leak after four trips to the shop. The vibration has never been corrected, even though the car was in the shops of General Motors and Pontiac dealers at

least six times and was taken to other independent shops for corrections on other occasions. Finally, the manufacturer put on a new set of tires and had the front wheels realigned. This was the third set of tires in less than 12,000 miles and the fifth wheel alignment job. The car still vibrates and the tires now scrap the inner fender liners when the car is turned to the right. The manufacturer now claims the car has been corrected and will take no further action.

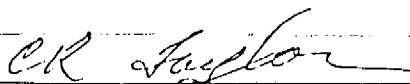
Therefore, after almost two years of this kind of treatment, I retained an attorney. I have filed a lawsuit against the manufacturer. We have just received a trial date and the case is not scheduled until October of 1983, and since it is in Federal Court, it is to be tried at Billings rather than Helena where I now reside. My attorney advises me there could be other delays in the legal process.

For the above reasons, that is why I am for House Bill 18, the proposed "Lemon Law".

As indicated above, I purchased a new car that cannot be safely driven and have tried since August of 1980 to no avail to have it repaired. This experience points out that the manufacturer, at least of this car, under these circumstances does not intend to meet its warranty obligations, nor do they have the dealer service organizations that support and back up their products after they have been sold.

I strongly recommend that any recent purchaser of a new car, or prospective purchaser, support consumer protection legislation such as proposed House Bill 18.

DATED this 17th day of January, 1983, and signed by C. R. Taylor.


C. R. Taylor

INTRODUCTION:

The amendments suggested by the MVMA are clearly intended to weaken H.B. 18, and limit the manufacturer's liability for its own defective product. I feel that all of these amendments should be disregarded. The following are, in my opinion, the worst of the lot and I have briefly indicated my reasons for opposing them.

AMENDMENTS 1 & 2:

Mr. Schwertfeger (MVMA) indicated that the thrust of these amendments was to exclude trucks from the bill. If we assume that trucks, like any vehicle including passenger cars, are designed and constructed for a particular purpose, there is no reason to exclude them from a measure intended to ensure that they perform according to that purpose. These amendments also unnecessarily limit the availability of this remedy to the car's first owner.

AMENDMENT 3:

This amendment places a heavy burden on the consumer to meet overly strict notification requirements in the event the consumer decides to exercise his or her rights under this bill. This requirement works against the consumer since the majority of auto owners who exercise their legal rights would not be aware of this requirement. When a consumer deals orally and through

service documents with the service manager, he or she considers those communications to be official and with an authorized representative of the company.

AMENDMENT 4:

This attempts to tie the non-conformity to the dollar value of the automobile, implying that the car is only a lemon if expensive defects creep up. Many small (in dollars) things can go wrong with an auto which very substantially impair its value as a useable product. For example, VW Rabbits have a chronic problem with accelerator cables that snap causing the car either to over-rev or stall. The cable itself costs only a few dollars, and under this amendment, would not qualify the car as a lemon. But certainly the owner of a car that kept racing or stopping would not make such a fine distinction.

AMENDMENT 5:

~~This wording could feasibly allow the dealer to replace a lemon~~
with a used car! Simply stated, the lemon owner is entitled to a new car. That's what he or she is making payments on--that was the original agreement with the manufacturer.

AMENDMENT 6:

In the extremely unlikely event that a manufacturer cannot produce the same make and model year of the lemon, a car of equal value should be provided. But the inclusion of this amendment would

open up a lengthy process to determine what is meant by equal value. Moneywise? Would the consumer with an \$8,000 passenger lemon be strapped with an \$8,000 truck? The end result will be more frustration and delay for the consumer, and another method for the automaker to limit its responsibility.

AMENDMENTS 7, 8, & 10:

The insertion of these amendments would further chip away at the heart of this measure which is to provide an effective, equitable vehicle which the consumer can use to avoid getting stuck with a seriously defective automobile. I believe that they should be disregarded.

AMENDMENT 9:

This wording may well exclude the dealer where the car was purchased from being an authorized repair facility for purposes of this bill. The consumer would thus be required to seek out an "authorized" agent to get service that would apply under HB 18. I feel that any dealer or agent certified to perform warranty work should be covered by this bill. Hence, my initial wording, which I believe should stand as it is.

AMENDMENT 11:

- a) See "Amendment 3" regarding required written notification.
- b) The consumer would not be held responsible for delays in repair (which often include ordering of parts, waiting for an appointment, etc.) when a defect causes the car to break down. This dangerous

amendment would allow the dealer to stall or completely refuse to address a non-conformity. When a car is out of service because of non-conformity, it is useless to the consumer from the time it breaks down. The 30 days should begin from the time the dealership is notified that the defect has occurred, and should, in fact, include the time it takes to tow the vehicle to the shop, if necessary.

AMENDMENT 12:

This would effectively allow AUTOCAP to be used as the dispute mechanism. This is a very dangerous amendment that would relegate the consumer's right to redress to a group that is run by the manufacturers but is not binding on the manufacturers. The whole point of this bill is to allow the consumer to deal effectively with the entity ultimately responsible for producing, and then replacing the lemon. AUTOCAP is not publicly accountable, does not have majority consumer representation on its panel, and is not binding on the manufacturer.

AMENDMENT 13:

Again, this amendment is an attempt by the manufacturers to limit the number of lemons successfully replaced or returned. It serves no other real purpose and would only weaken this bill and limit the remedies open to the consumer.

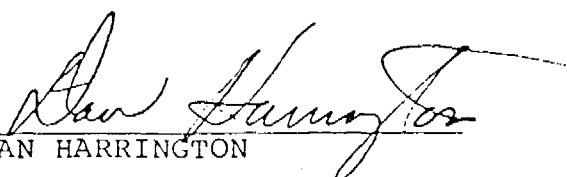

DAN HARRINGTON

Exhibit #6

Mr. Chairman, members of the Committee, I am Elmer Hausken, Lobbyist for the Montana Association of Life Underwriters.

Our Association respectfully asks you to put a do not pass designation on HB 175 because:

On October 15, 1982 P.L. 97-320 and Title VI of that law as amended prohibiting certain insurance activities by bank holding companies was signed by the President of the United States. Title VI (The Depository Institutions Amendments of 1982) cites six exceptions to the bank holding company prohibitions to sell life insurance.

The exceptions protect small communities of 5,000 or less and permit banks to engage in credit life, disability and involuntary unemployment insurance and general insurance of property, casualty and liability activities.

In addition, those banks with less than \$50,000,000 of assets may engage in any insurance activity in their area subject to exceptions A, B & C.

There is also a grandfather exception for small finance or banking companies on areas covered prior to May 1, 1982.

We have no quarrel with these exceptions and emphasize that point here.

We do object to the proposed extension of credit life face amounts to become level term insurance because it exceeds the proper intent of banking activities by denying complete freedom of choice and/or economic savings to be obtained in an open market without the inference or implied suggestion that a credit line is at stake. Such things are hard to prove, but they exist. In one instance in Helena, the credit life premium was over twice the amount finally paid to a private insurance agent and the borrower had to be harsh to avoid the heavy pressure applied to buy from the bank.

We deplore any such activities and ask that you leave Montana banking restrictions as they are.

Senator Jake Garn and Senator George Mitchell successfully argued in September 1982 that it was highly improper to relate insurance sales to credit.

I might add, MALU believes it is not a proper banking activity to sell credit life on a large loan, add the premium to the loan and pay interest on life insurance premiums.

It is an unfair competitive advantage over other sellers who do not have power to extend or withhold credit. Purchasers will purchase insurance from banks simply because they will wish to protect their credit.

Thank you.

March 2, 1983
EXHIBIT NO. 1

Butte, Montana
2/19/1983

" LEMON DODGE "

To Whom It May Concern.,

Attached in numerical order photo copies of correspondence between Arthur Wm. Schmidt (his Attorney Larry Stimatz) and Chrysler Corporation on one(1) 1979 Dodge Club Cab 4 x 4 Mdlr 200, serial No W 27JF9C142606 purchased from Anaconda Chrysler on 7/17/79.,

1. Time of Purchase :

D-B . NOTE Called by Mrs Sullivan(Detroit Office)7/20/79,1.30P.M. Front Bearing wheel faulty take to dealer to be fixed.,

2. List to Anaconda Chrysler of Faults and requests for adjustments of same.,

3. Notified Anaconda Chrysler 1/16/80 wanting service,told to bring truck in 1/24/80.,

3-B .2129 Miles on truck,Motor rebuilt,same with transmission on order # 01813 where in, truck was damaged and had to be repainted where damaged by Anaconda Chrysler.,

4. Certified correspondence(to Anaconda Chrysler)4/21/80 job not satisfactory only to be told situation had to go to Chrysler Factory,nothing but stall on problem.,

5. Letter to Chrysler Corporation on 5/15/80 on problems with truck.,

5-B. Response 6/19/80 Beaverton,Oregon go back to Anaconda Chrysler Dealer,nothing.,

6. Wrote Mr. D.B. Vial,Chrysler as per services.,

6-B. Slip on 7/18/80 From Beaverton,all data on truck,filled out,returned,nothing.,

7. Correspondence(attorney Larry Stimatz)to Mr. Lee Iacoca president of Chrysler Corporation on truck as of 9/11/80.,

7-B. Note letter to Mr. D.B. Vial customer relations Beaverton,Oregon(by Attorney Larry Stimatz on 9/11/80 that transmission faulty with NOTICE here-with-in the statues of Warranty.,

7-C. Response by Chrysler Corporation to Attorney Larry Stimatz on 9/217/80 unable to verify fact of faulty transmission.,

7-D. Attorney Larry Stimatz as per facts written me Arthur Schmidt.,

7-E. Mr. Stimatz letter to Mr. Vial(chrysler Corporation) their Mr. Groves could find nothing wrong and why not well Mr. Groves refused to drive the truck personally, had a mechanic drive same,when questioned why so slow on shifting said thats the way and I didn't know how to drive.,

Butte, Montana
2/19/1983

" LEMON DODGE "

Page 2 Cont'd

7-F. Detroit Chrysler Office, P.A. Donovan as of October 16th, 1980 would look into the situation, would handle their way per correspondence Attorney Larry Stimatz.,

7-G. Correspondence Mr. Vial to Larry Stimatz reflecting that their people knew all and I, Arthur Schmidt didn't know anything.,

8. Chrysler Electronic Mail 5/18/81 A.W. Veit Mgr Customs Relations following their review would notify me, now 2/18/83 still waiting for their response.,

9. Correspondence to factory on 12/28/1982 again on Dodge never responded to. fast.,

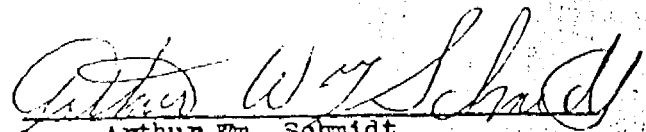
9-B. Response from Chryslers Mr. O.S. Hunt ignored facts and his of 1/13/83 to bad, frankly a letter with nothing it.,

10. Another letter to Chrysler's Mr. O.S. Hunt on truck with specific questions, issue avoided and again a letter that said nothing.,

10-B. Mr. O.S. Hunts response 2/5/83 said nothing.,

NOTICE., during this period of warranty the Anaconda Chrysler folded up and then the chrysler operation in Butte, Montana closed., NOT one time was ant mention issued as to maybe taking vehicle to some-one else.,

All correspondence to Chrysler Corporation was thru certified mails with return receipts to show true facts and issues.,


Arthur Wm. Schmidt
917 Utah Ave
Butte, Montana 59701

Note;;;;; This Truck uses about 1 quart of oil per 600 miles, right hand door leaks water like there was no door there and all this and above and ONLY about 18,000 miles in 4 Years.,

VEHICLE ORDER

DATE 7/17/1979

DEALER Anaconda Chrysler
 PURCHASER Arthur W. Schmidt
 PLEASE ENTER MY ORDER FOR ONE VEHICLE AS FOLLOWS:

YEAR	MAKE	MODEL	TYPE	COLOR
79	Dodge	W-222	1/2 T	Blue
V.I. OR SERIAL NO.		STOCK NO.		
W275E9C4D126		TO BE DELIVERED		
CASH SALES PRICE				
79 W-222 1/2 T 9650.00				
DOCUMENTARY CHARGE & FEES				
LICENSE				
LICENSE TRANSFER				
TITLE				
REGISTRATION				
TAX				
TOTAL CASH DELIVERED PRICE				
DEPOSIT ON ORDER				
ALLOWANCE FOR TRADE-IN AS APPRAISED				
LESS: BALANCE OWING TO				
CASH ON DELIVERY				
RECORD OF TRADE-IN				
YEAR	MAKE	MODEL	TYPE	COLOR
79	Dodge	4-100		
V.I. OR SERIAL NO.		STOCK NO.		
318A1112389		TITLE NO.		

The front and back of this Order comprise the entire agreement affecting this purchase and no other agreement or understanding of any nature concerning same has been made or entered into, or will be recognized.

I have read the matter printed on the back hereof and agree to it as a part of this order the same as if it were printed above my signature. I certify that I am of legal age to execute binding contracts in this State and hereby acknowledge receipt of a copy of this order.

BUYER'S SIGNATURE X Arthur W. Schmidt

ADDRESS 917 W. 1st St. Butte, MT 59701

THIS ORDER IS NOT VALID UNLESS SIGNED AND ACCEPTED BY DEALER OR HIS AUTHORIZED REPRESENTATIVE.

SALESMAN Tom Hake ACCEPTED BY Tom Hake
 DEALER OR AUTHORIZED REPRESENTATIVE

FORM 84-101 (10-72)

LICENSE PLATES REGISTERED AT BY TREASURER.

DEALER Anaconda Chrysler
 NAME Anaconda, Mont.
 ADDRESS

A162993

Tom Hake

*Span Tire & Wheel
 P. Steering
 New Truck Service
 Undercoating*

H 9600

FOR SERVICE

12-5-79

TO ANACONDA - CHRYSLER

DODGE - 4X4 - 1979 TO BE BROUGHT TO
ANACONDA ON 12/5/79 PER PHONE CALL TO
TOM HERKEL FOR SERVICE 2000 MILES WITH
? - WHY — LIGHT SHOWING EGR - COME ON

- ① CLUTH SQUEAKS - IN AND OUT PEDAL PUSHER
- ② KNOCK IN ONE OF PUMPS IN WITH MOTOR OR
MOTOR ITSELF - SOUNDS DRY OR SOMETHING
- ③ REAR WINDOW LEAKS WATER - AND ONE WIN-
DOW REAR LOOSE - NEED ADJUSTING
- ④ SHIFTING DOWN FROM 2ND - TO - LOW ROUGH -
SOMETIMES WON'T GO
- ⑤ RUBBER AROUND DOOR DRIVERS SIDE LOOSE
- ⑥ RUBBER - ON WINDOW DRIVERS SIDE OUT
- ⑦ OIL LEAK - FRONT MOTOR - BY PULLEY - FRONT OIL
- ⑧ SCREWS - ON PLATE ON FLOOR HOLDING MAT WON'T
TIGHTEN DOWN
- ⑨ WHAT CAN BE DONE WITH FLOOR MAT AROUND
GEAR SHIFT STICK - TRANSMISSION: LOTS OF AIR CONES
- ⑩ TAIL GATE STICKS - HARD TO OPEN
- ⑪ FRONT END SQUEAKS WHEN TURNING
- ⑫ HOOK LOCK TO BE INSTALLED - SAME ORDERED
- ⑬ CHECK BOTH DOORS - ONE HARDER - TIGHTER THAN OTHER
- ⑭ GREASE - CHANGE OIL - ETC - ??

(2)

LAWRENCE G. STIMATZ
ATTORNEY AT LAW
512 METALS BUILDING
BUTTE, MONTANA 59701

SENT 1084993 9-15-80
CERTIFIED MAIL
RETURN RECEIPT - S.K.O.W.S.
DELIVERY 9-15-80

September 11, 1980

*Letter bringing
attention to
chrysler prior to
warranty expiration*

Mr. D. B. Vial
Customer Relations Manager
Zone Service Office
The New Chrysler Corporation
10020 S. W. Allen Boulevard
Beaverton, OR 97005

Re: Arthur Wm. Schmidt
917 Utah Avenue, Butte, MT
1979 Dodge Truck W200 4 x 4
VIN W27 JF 9C 142606
Selling Dealer: Anaconda Chrysler
Date of Purchase: July 17, 1979

Dear Mr. Vial:

I am now representing Mr. Arthur Wm. Schmidt, purchaser and owner of a 1979 Dodge W200, in his claim and complaint against Chrysler to repair or replace a defective transmission under warranty.

Mr. Schmidt has written you several times and received promises but no action or performance.

The purpose of this letter is to ask you to take immediate steps to have the transmission problem fully corrected either by proper repairs or by replacement or a lawsuit will be filed.

By immediate I mean a phone call or a letter to Mr. Hekkel of Anaconda Chrysler authorizing him to proceed to do what is necessary - including the decision as to whether the defect can be repaired or whether a replacement transmission is required. Somebody in the factory or dealer chain must know.

The truck was purchased on July 17, 1979, from Anaconda Chrysler (Tom Hekkel), 600 East Park Avenue, Anaconda, Montana, 59711. Mr. Schmidt has written, phoned and visited Mr. Hekkel at the shop innumerable times. Work has been done on the truck but the transmission has never been repaired to where it will function normally and properly. On June 30, Mr. Hekkel assured Mr. Schmidt that the transmission problem would be taken care of under the vehicle warranty, and you were so informed in Mr. Schmidt's letter to you of July 14, 1980.

*copy to C.S. Hunt
1-15-87*

September 21, 1980

Lawrence G. Stimatz
Attorney at Law
512 Metals Building
Butte, Montana 59701

Dear Mr. Stimatz:

Reference is made to your letter dated September 11, 1980, in behalf of your client, Mr. Arthur Wm. Schmidt.

We have reviewed this file with Anaconda Chrysler and are unable to verify the fact that Mr. Schmidt does indeed have a transmission problem at this time.

In order to bring this matter to a final closing, we have instructed our District Manager, Mr. J. E. Groves, to contact Mr. Schmidt and arrange to inspect his vehicle and render a final decision.

Very truly yours,

THE NEW CHRYSLER CORPORATION
Service & Parts Division

D. B. Vial
D. B. Vial
Customer Relations Manager

DBV:mje

cc: J. E. Groves

7-C

LAWRENCE G. STIMATZ

ATTORNEY AT LAW

512 METALS BUILDING

BUTTE, MONTANA 59701

October 8, 1980

Mr. Arthur Wm. Schmidt
917 Utah Avenue
Butte, Montana 59701

Re: Truck Transmission - Warranty Claim

Dear Art:

About 4.55 p.m. yesterday, while I was in Helena, my secretary received a call from a Jim Groves. (According to the letter to me of September 17 from D. B. Vial, the District manager in this area is now Mr. J. E. Groves).

The message to my secretary from Jim Groves was to the effect that he would be in Butte at Dinsmore's tomorrow in the early afternoon (possibly late morning also) and would check your truck and the transmission.

Mr. Groves had indicated that his information from the mechanics who checked your truck was that there was nothing wrong with the transmission. (At Anaconda Chrysler).

Mr. Groves would like to resolve the matter and is willing to give the truck a road test and otherwise check it to determine what the situation is.

This is a strange development. As I recall, you told me you had the truck at Anaconda Chrysler (Tom Hekkel) several times and never told you there was nothing wrong with it. Hekkel's version was that he wouldn't do anything about the transmission unless the factory authorized it.

I called Dinsmore's at 11.00 a.m. today and Mr. Groves hadn't come in yet. I left your name as the owner of the truck and that you wished to see Mr. Groves this afternoon.

Very truly yours,



Lawrence G. Stimatz

LGS:j

7-D

LAWRENCE G. STIMATZ

ATTORNEY AT LAW
512 METALS BUILDING
BUTTE, MONTANA 59701

October 14, 1980

Mr. D. B. Vial
Customer Relations Manager
Zone Service Office
The New Chrysler Corporation
10020 S. W. Allen Boulevard
Beaverton, Oregon 97005

Re: Claim for Transmission Repairs under Warranty
Arthur Wm. Schmidt

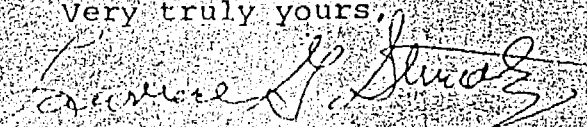
Dear Mr. Vial:

On October 8, Mr. Jim Groves, District Manager, inspected the 1979 Dodge truck belonging to Mr. Schmidt. Although your letter of September 17 indicated Mr. Groves would be contacting me or Mr. Schmidt, we had heard nothing from Mr. Groves until about 5 p.m. on October 7 that he would be in Butte on the 8th.

Mr. Groves telephoned me that he found nothing wrong with the transmission and had a mechanic (from Dinsmore's) also check it and he found nothing wrong. This was not in accord with the continued complaints of my client, Mr. Schmidt who did inform Mr. Groves that he disagreed with him. Mr. Schmidt then took the truck to a private well-qualified mechanic with long experience on transmissions who after examination and road testing reported that the transmission shifted very hard, and that it could and should be repaired.

The purpose of this letter is to inform you that Mr. Schmidt does not accept Mr. Groves' findings, and that Mr. Schmidt does ask that Chrysler Corporation repair or replace the transmission so that the transmission will operate easily and safely in the normal and designed use of the truck.

Very truly yours,


Lawrence G. Stimatz

LGS:j

P.S. I am unable to send a copy of this letter to Mr. Groves because he did not give me his address.

LGS

7-E

SERVICE & PARTS DIVISION

CHRYSLER
CORPORATION

October 16, 1980

Mr. Lawrence G. Stimatz
Attorney at Law
512 Metals Building
Butte, MT 59701

RE: 1979 Dodge Truck
V.I.N. - W27J-P9C-142606
Owner and Your Client - Arthur W. Schmidt
Butte, MT
Selling Dealer - Anaconda Chrysler

Dear Mr. Stimatz:

Your September 11 letter to Mr. Lee A. Iacocca has been reviewed and, since it concerns service matters, your letter was referred to this department for reply.

In order that this may be thoroughly investigated and properly resolved, we are assigning the matter to our Portland Zone Office.

We are confident our representative will contact you in the near future to make arrangements for an inspection of the vehicle. Any difficulties deserving of attention under the terms of our warranty will be handled in that manner.

Thank you for bringing this to our attention.

Sincerely yours,



P. A. Donovan
Special Investigator

PAD/ald

7-F

SERVICE & PARTS DIVISION



CHRYSLER
CORPORATION

October 22, 1980

Lawrence G. Stimatz
Attorney at Law
512 Metals Building
Butte, MT 59701

Re: Arthur Wm. Schmidt

Dear Mr. Stimatz:

In response to your letter of October 14, 1980, we have been informed by our District Manager, Jim Groves, that Mr. Schmidt's 1979 Dodge 4-wheel drive is equipped with a 435 New Process 4-speed all synchronized transmission.

It is our opinion that the people who have investigated Mr. Schmidt's transmission are expert diagnostic technicians, and it is not our intention to deny anything within Mr. Schmidt's written limited warranty. Chrysler Corporation has never hesitated to comply with these warranty provisions, and such provisions are reasonably elastic in order to cover individual situations when extenuating circumstances prevail.

It is our experience that if an irregularity does in fact exist, it will manifest itself within a short period of time and mileage.

Very truly yours,

THE NEW CHRYSLER CORPORATION
Service & Parts Division

D. B. Vial
Customer Relations Manager

DEV:mje

Photo copy to G.S. 10-25-80

7-G

P. O. BOX 1718
DETROIT

MI 48288

Electronic Mail



05/15/81 CHRYCR 59701 501 2 000594

MR. A. W. SCHMIDT
917 UTAH AVE.
BUTTE MT 59701

CAIR X50688

DEAR: MR. SCHMIDT

THIS WILL ACKNOWLEDGE YOUR RECENT CORRESPONDENCE TO
OUR EXECUTIVE OFFICES..

AS OF THIS WRITING, YOUR INQUIRY HAS BEEN FORWARDED TO
THE PROPER SECTION FOR HANDLING. FOLLOWING THEIR REVIEW,
IF FURTHER ACTION IS REQUIRED, YOUR INQUIRY WILL EITHER
BE FORWARDED TO THE ZONE OFFICE SERVING YOUR AREA FOR
DIRECT HANDLING WITH YOU AND YOUR DEALER, OR YOU WILL
RECEIVE A SUBSEQUENT LETTER FROM THIS OFFICE WHICH WILL
ADDRESS THE SPECIFICS OF YOUR CORRESPONDENCE.

IN THE EVENT OF ANY FURTHER CORRESPONDENCE, PLEASE
INCLUDE THE CAIR NUMBER LISTED ABOVE.

VERY TRULY YOURS,

A. W. VEIT
MANAGER, CUSTOMER RELATIONS
CHRYSLER CORPORATION

8

December 28, 1982

Customer Satisfaction Board
Chrysler Corporation
P.O. Box 1718
Detroit, Michigan 48288

Gentlemen;

Purchased Dodge 4x4 Mdlr W27JF9C142806 on 7/17/79 and with approximately 2200 miles had to have the motor rebuilt and transmission rebuilt.,

This vehicle has never functioned properly and my complaints have gone as-- thus, nothing wrong, don't know about transmissions, warranty gone .,

Correspondence, nice and bad to Mr. Iacocca have been ignored and again I'm a very displeased person when one sees the advertising then low and behold nothing;

The transmission from date of purchase has not worked right and people who other than your representatives agree that there is a problem, now 14,941.8 miles and vehicle still does not work right and same is now using oil.,

No wonder Chrysler is going to the dogs, as having owned Dodges all my life with 3 at present and inclined to now back further in the future.,

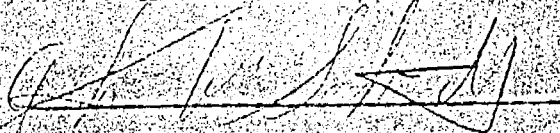
Feel that the Chrysler company, of whom I and my Mechanic called on June, 15, 82 at Beaverton Oregon and who were to call back, to date never have, show discourteously inconsideration and a be damned attitude with regards to this truck.,

I am probably one of the most disgusted Dodge owners around and therefore this letter as to perhaps getting some satisfaction on same so with 14,941.8 miles what would you think?

Having nothing but problems am going to wait for your response and see what comes of same., and should nothing prevail then my only alternative is to go on the fight back program of Mr. Horowitz of Burbank California take this piece of equipment on the television and let people know what there getting for their money.,

Yours Respectfully.,

Arthur Wm Schmidt





January 13, 1983

Mr. Arthur W. Schmidt
917 Utah Avenue
Butte, MT 59701

Dear Mr. Schmidt:

This will acknowledge your correspondence regarding your Chrysler Corporation product.

Your concern in this matter is certainly understandable, particularly in view of the inconvenience and expense involved. Unfortunately, since your vehicle is now beyond the warranty period, we would be unable to accommodate your request. I am sure you can appreciate that we cannot extend an indefinite warranty on our products.

In the event you require service assistance, I would suggest that you contact your local authorized Chrysler Corporation dealer. His service personnel have the factory training, equipment and technical information available to them to diagnose and correct vehicle problems. In the event they require technical assistance, it is available to them through our Zone Office.

While I regret that we cannot provide a more favorable reply to your request, we do appreciate your writing and thus providing us with the opportunity to review this matter for you.

Yours truly,

O. S. Hunt
Owner Relations Coordinator

/lf

Handwritten notes:
by letter O.S. Hunt
1-25-83

9.13

Butte, Montana
January 25, 1983

Chrysler Corporation
P.O. Box 1718
Detroit, Michigan 48228

Mr. O.S. Hunt

Sir;

Yours of 1/13/83 received in response to mine of 12/28/82 per one Dodge truck purchased from your dealership, noting contents nothing more than expected..

The inclosed papers show a continous complaint and written complaint by my Attorney prior to warranty termination that all was not satisfactory and also that you people delayed service, ignored facts, insinuated my ignorance as to whutther anything was wrong or not and in plain english nothing more than passing the buck.,

Oh Yes I would say I got the royal job and not only that but now the truck in question is using oil, now Mr. Hunt about 2200 miles, new motor rebuild job, transmission job, which still doesn't work or function properly, boy what will I get when this rig goes aboxt 25,000 miles

By the way would you accept this truck if you purchased same for 10,000.00 ~~next~~lets get your response, (yes) (no) .,

Having run into this situation as is with you people find that we need and should have some way to fight back and not the attitude that you have of we sell, we got your money, now go to hell.,

Results are finally coming thru with regards to these situations and the inclosed clipping indicated and acknowledges that we need protection from such as I've received and perhaps this will rectify some double talk.,

Will await your response then communicate with the Consumers Action Program in our capitol showing them all the papers and etc.,

Thank you.

Sincerely,


Arthur Wm. Schmidt
917 Utah Ave
Butte, Montana 59701



CHRYSLER
CORPORATION

February 5, 1983

Mr. Arthur W. Schmidt
917 Utah Avenue
Butte, MT 59701

Dear Mr. Schmidt:

This will acknowledge your correspondence regarding your Chrysler Corporation vehicle.

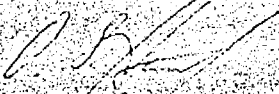
Your concern in this matter is sincerely appreciated, particularly in view of the inconvenience and expense involved. We regret that you feel your situation was not given adequate attention by our Zone Service Office.

Each of our Zone Offices is staffed with responsible personnel, who are fully qualified to render decisions in matters relating to warranty and service. Unfortunately, circumstances are sometimes such that our Zones cannot provide the type of relief requested by the customer.

After reviewing the file, we must advise you that we concur with the decision rendered by the Zone Office in this matter. Although we are unable to assist you in this particular matter, we trust that you can appreciate our position.

If at some future date we may be of assistance to you, in some other area, please let us know.

Yours truly,


O. S. Hunt
Owner Relations Coordinator

/lf

10-B

Ford paying millions in

By Raymond Bonner of The New York Times News

NEW YORK — The Ford Motor Co. is paying about \$20 million as a result of lawsuits charging that defective automobile and truck transmissions caused scores of deaths and injuries, according to private lawyers and a nonprofit safety group.

The lawyers say documents obtained from Ford in the litigation show that as long ago as the early 1970s the company was aware of a defect in the transmissions of millions of cars and light trucks and could have corrected it for 3 cents a vehicle.

The litigation involves the transmissions in nearly all Ford, Lincoln and Mercury passenger cars, light trucks and vans manufactured for the 1966 through 1979 model years. The National Highway Traffic Safety Administration determined in 1980 that there was a defect in the design of the Ford transmissions that caused them at times to jump into reverse after the driver had put the car in park.

Approximately 23 million Ford vehicles are equipped with those transmissions, according to the Center for Auto Safety in Washington, a non-profit organization founded by Ralph Nader, the consumer activist. The center receives its funds from a variety of sources, including individual donations, foundation grants and the sale of publications, along with a small amount from trial lawyers seeking assistance.

In October 1980 the safety agency said the defective transmissions had caused "over 1,500 reported injuries and nearly 100 reported deaths, far more than have ever previously been reported in a defect case."

Ford has consistently maintained that there was no design defect and that the injuries and deaths had been caused by driver error. But the company did agree to provide warning labels to the owners of the vehicles after the federal agency's investigation. The company has also said that it was not aware of any repairs that might be made, short of replacing the transmissions, and that the cost of doing that would be prohibitive.

The auto manufacturer is paying the \$20 million as a result of settlements or court verdicts in about 125 cases. Company documents obtained in the lawsuits show that approximately 1,000 suits over the transmission had been filed against Ford as of June, according to several lawyers.

As a condition of most settlements, Ford has required

that neither the plaintiff nor the attorney disclose the amount. And the company last week declined to say how much it had paid in settlements. "It is not in our best interests to have that information become public," Ford's associate general counsel, John W. Martin Jr., said in a telephone interview.

Ernest Cannon, a Houston lawyer who has settled 16 transmission defect cases, said Ford sought the secrecy clause after his first case was settled for \$490,000. Cannon also won a jury verdict for \$4.4 million, including \$4 million in punitive damages, for the family of a woman who, according to the plaintiffs, was run over by her car and killed. The suit maintained that she was walking behind her car to close a driveway gate when the car, whose engine was running, jumped into reverse. It is believed to be the largest judgment against Ford in the transmission cases. Ford has appealed.

John D. Liber, a lawyer in Cleveland, said he had settled about 10 cases. For those settlements that were not confidential, he said the average settlement was about \$40,000. He indicated that the confidential settlements were much higher, many "in the six figures."

At least one lawyer has refused to agree not to disclose the amount of settlement.

"I take the position that the public is entitled to know," said Wallace Smith, of Sacramento, Calif. He said he had settled one case for \$95,000 and another for \$500,000.

In one case, according to the federal traffic safety agency's documents, a Wisconsin mother watched helplessly as her 18-month-old son, who had been strapped into his car seat, drowned after the car's transmission jumped from park to reverse and the car rolled out of the driveway into a lake across the street.

In another case, which Ford settled for nearly \$2 million in cash and annuities, a man was killed trying to stop a 1970 Ford LTD, which had been parked on an incline driveway. The man, his wife and their four children had walked a few feet away from the car when they heard a sound, according to Larry Stewart of Miami, an attorney for the victim's family. Stewart said, "As they turned around the vehicle was rolling backwards down the driveway. In their efforts to stop the car, the decedent fell under the vehicle and was

Americans like 'lightness,' but not salt and caffeine

By Bryan Miller of The New York Times

NEW YORK — The 1982 food year was one of fresh fads and fervid fitness, explored cuisines — Mexican and "gourmet" convenience foods" among them — and evanescing demons, namely salt and caffeine. Democratic anti- there were warnings deficit

the culprit. The soft drink industry responded in 1982. Pepsi, Dr. Pepper and Royal Crown launched new caffeine-free or caffeine-reduced drinks. Some of these drinks are also sugar free, which, paradoxically, reduces cola drinks to total placebos, stripped of the two ingredients in two phases: In

On November 2, 1982, I, Tina Longmire, and my husband, Richard, bought a fully-equipped, Limited Edition, AMC Eagle. We drove it off the showroom floor to the VA Credit Union at Fort Harrison where we financed it. The drive was approximately 10 miles and upon completion of our business, a man met us 1/2 across the parking lot and informed us the car was leaking gas under the front end. This was the beginning of our marathon of problems with our brand new American made lemon.

In the past 120 days our car has been in for service on serious mechanical defects one week plus out of every month and it is scheduled to go in again this week to replace parts previously ordered. It is also going in for a new problem which has occurred; leaking grease from the rear end. Within 90 days the water pump was replaced; the fuel canister had been replaced once but has had to be taken back to the shop within hours of supposed repair as it was leaking gas at the rate of an 1/8 tank at a time. This leaking was so severe that the 6th or 7th time, it was moved away from the service building itself.

The motor continues to miss despite continuous servicing; it idles so high the tires can be screeched when put into gear; when passing gear is reached, it pops up through the carburetor and slows down. Maximum passing gear on a hill is 35 mph. These problems persist as evidenced by service warranty work sheets.

Problems unrelated to mechanical deficiencies such as wind noise, air leaks, squeaks, rattles are too numerous to mention but are supported by service work sheets. They continue to plague us. Our MPG is 1/2 what is advertised.

The dealer is sorry, he'll continue to fix the problems under warranty, but he cannot take it back. That is the manufacturer's option. For the dealer to take it back, it would be a used car and cost us a couple of thousand dollars, not to mention the taxes we paid.

The factory representative has said they will replace every part on the car, if necessary, but will not replace it or buy it back.

A car warranty should not be impregnable. The manufacturer should not be allowed to hide behind their warranties when it is my family's safety and security that is on the highway. The fact of a warranty does not guarantee my life or anyone else's on the highway. At 55 miles per hour their warranty is worthless.

We no longer have faith in the car. We do not feel safe. We can't afford to let it sit. Our investment in the American dream has turned into a nightmare. We should not have to sacrifice our future financial security, or our daughter's because of costly legal litigation to force the manufacturer into accepting the responsibility of a poorly built car.

March 1, 1983

Tina Longmire
421 Spencer
Helena MT 59601



MONTANA PUBLIC INTEREST RESEARCH GROUP

729 KEITH AVENUE
MISSOULA, MT. 59801
(406) 721-6040

TESTIMONY BEFORE THE BUSINESS AND INDUSTRY

COMMITTEE OF THE MONTANA STATE SENATE

IN SUPPORT OF HOUSE BILL #18

March 2, 1983

Good morning, Mr. Chairman and members of the committee. Thank you for the opportunity to testify on behalf of House Bill #18, the so-called "Lemon Law".

My name is Robert S. Anderson. I am a student at the University of Montana and a staff person for the Montana Public Interest Research Group (MontPIRG), Inc. MontPIRG is a non-profit, non-partisan organization funded and directed by students at the University of Montana which performs research and advocates on issues relating to consumer protection, the environment, governmental responsibility and general social concern. MontPIRG's focus on consumer issues includes the operation of a "Consumer Hotline", investigations into common consumer problems and an ongoing series of marketplace surveys.

MontPIRG supports Representative Harrington's bill very strongly and I would like to briefly outline for you the reasons why we consider House Bill #18 to be an extremely important and timely piece of consumer protection legislation.

There is no question that defective automobiles constitute a consumer problem of the highest magnitude in this country today. The Federal Trade Commission recently reported that complaints about the purchase and repair of autos jumped from fifth to first place in 1981. This is reflected by many state and federal consumer groups, as well as the White House Office of Consumer Affairs, the national Louis Harris poll and the U.S. Council of Better Business Bureaus.

This problem is enormous and destined to keep getting larger as more and more cars are sold under conditions that prevent the buyer from returning to the manufacturer defective, unsafe autos.

In Montana alone, the lemon problem is substantial. The Montana Auto Dealers Association reports that roughly 27,600 new cars were sold in this state in 1982. If we estimate that as little as one percent of those suffered from "non-conformity" as defined in this bill, then nearly 300 Montanans purchased defective autos last year. At today's prices we are talking about more than one million dollars that consumers of this state pay out every year for new automobiles that fail to satisfy the express warranty of merchantability. And that number comes before the car begins its trips back to the dealer, with all the expense, frustration and lost time they can incur.

But the problem is not just one of consumers throwing huge portions of their income away on a faulty, non-returnable product. Unlike the defective toaster or vacuum cleaner, the defective auto is much more than an annoyance. It is a safety hazard and dangerous not only to its operator and passengers, but to everyone else on the road as well. Nor does this situation end with the car's first owner. The lemon automobile is truly a gift that "keeps on giving". Today's new lemon is tomorrow's clunker, as these cars pass from owner to owner, multiplying in number every year, racking up repair bills and endangering more and more people.

What can we do about them? Under the present statutes, very little. Although Congress has passed several laws in the past decade aimed at assisting consumers plagued with defective cars, shoddy repair work or other forms of automotive abuse, none has been at all effective in addressing the problem of lemons. The Magnuson Moss Warranty Act of 1975, for example, was expected to significantly reduce the problems consumers had in replacing defective cars, but it contains a number of serious loopholes. Specifically, the bill fails to define what constitutes a "reasonable number of attempts" to fix the car. What is worse, its key lemon

provision, under which a defective car may be returned, is avoided by all auto makers except AMC by their refusal to give a full warranty. As Michael Pertschuk, former chairman of the Federal Trade Commission, puts it:

"Manufacturers offer warranties to assure consumers that their cars are well designed and built. They promise to remedy defects that become apparent in the first part of the car's life. But too often these assurances of quality are not met, and consumers suffer the loss. Congress was aware of warranty performance and Magnuson-Moss Act offers two possible remedies... Unfortunately, in the case of autos, it now appears that these remedies are neither solving the problems nor lessening their severity."

The lemon owner is stuck. Faced with a mountain of payments that have just begun and a new car in constant need of attention at the dealership, the lemon owner usually either gives up in despair:

"I've taken the car back there so many times already, and the problem is just as bad as when it first began. I've just stopped going. And let's face it -- I am a single female. They just treat me like a nuisance."

-Janet Maulolo
Montana Lemon Owner

or initiates an often lengthy, always costly legal battle which rarely achieves the desired result:

"I have never seen one of these (lemon) cases successfully resolved. The consumer is simply outgunned."

-William Morse
Montana Attorney who has handled
several lemon cases

CONCLUSION

House Bill #18 puts defective toasters and defective cars on equal footing by allowing the latter to be returned or replaced. It will provide the person who buys a lemon in Montana with a badly needed tool for dealing successfully with the car's manufacturer. The bill applies to all new cars, not just those with a full warranty. It clearly defines a "reasonable number of attempts" to repair the car, and it limits applicable defect to those which impair the "use, market value or safety" of the car. House Bill #18, unlike presently operating complaint panels

such as Automobile Consumer Assistance Panel, or AutoCAP, enables the car buyer to deal ultimately with the car's manufacturer, not just the dealer. This makes sense because it is the manufacturer who must bear the responsibility for how a product is made, and the cost of replacing it, if necessary.

It should be stressed that this Lemon Law (and those like it which have been passed in Connecticut and California) is not an attack on the auto industry. It simply provides for the fact that, in a mechanized process such as automobile production, quality control measures notwithstanding, a few "lemon" units are bound to get through, and the consumer should be protected against having to foot the bill for these. Indeed, the bill contains some hidden benefits for the auto industry, as recognized by dealers in California after the bill was passed there. As Jerry Burdett, general sales manager for San Diego Volvo told the San Diego Union, "...if the consumers feel they are protected, that's got to be good for business." Also, ISUZU, the Japanese truck manufacturer, took out a full-page ad in the Los Angeles Times praising the new law and encouraging other states to adopt similar legislation.

The Lemon Law will strengthen the position of the car buyer who is forced to play the game when a manufacturer or its agent refuses to acknowledge defects or requests endless opportunities to fix them. It will help restore the confidence of the American working public in our automobile industry and hopefully, see the industry restored to its former stature. It will improve the automobile manufacturer's quality control. It will improve the repair service by dealers. It will reduce the inconvenience, the expense, the frustration, the fear and the emotional trauma that lemon owners commonly endure; and it will provide a clear standard which will give the consumers an effective, reasonable and meaningful remedy which will, in turn ultimately reduce costs and delays of litigation.

Right now, the cards are stacked against the American consumer. There are no practical, economic, legal or procedural solutions available. The financial and emotional "anguish" of a lemon car must be

CAR DEALERS' VIEW

'Lemon Law'

Seen Sales Aid

By SUZANNE CHONEY

Staff Writer, The San Diego Union

Some local car dealers said yesterday the "lemon law" passed by the Legislature this week may help restore sagging car sales and consumer confidence in the auto industry.

"It may cost some dealers more money, but let's face it, the public has a fear of auto dealers as it is," said Jerry Burdett, general sales manager for San Diego Volvo. "Now if consumers feel they are protected, that's got to be good for business."

"I'm fairly sympathetic," said a spokesman for Bob Lewis Volkswagens. "I was a consumer before I was in the auto business, and I know how frustrating it can be" to deal with a problem car.

"It's a fair deal for the consumers and for the dealers," said Jack Olson, general manager of Harloff BMW-Chevrolet in Encinitas. "Dealers need as much protection as consumers. There needs to be guidelines as to what a lemon is, and this law will help provide that."

The measure, AB 1787, by Assemblywoman Sally Tanner, D-El Monte, was approved by the Legislature Thursday, and is awaiting Gov. Brown's signature. If signed into law, it would take effect Jan. 1, 1983.

Under the law, automakers would be required to replace new cars or trucks designated as lemons, or reimburse the buyers.

A "lemon" would be a new vehicle that continues to malfunction after four repair attempts have been made, or be out of service for more than 30 days. Both provisions apply only in the first year or 12,000 miles.

If repair efforts fail to satisfy the customer, the next step would be an arbitration process offered by the manufacturer.

The auto industry initially objected to the bill because it failed to specify what was considered a major or minor defect in making the car a lemon. The bill was amended to provide that the problem had to be a "non-conformity," one which "impairs the use, value or safety of the vehicle," said Jay De Furia, an aide to Tanner.

A broken radio or cigarette lighter would not qualify the car as a lemon, according to the bill, but a car window that did not roll up "could be considered an impairment of the value of the car," De Furia said.

"There are no lemons; there are bad mechanics," said Olson. "The law will give the dealer and the manufacturer a chance to repair the car without having to give the customer a new car. Anything can be repaired on a new car."

Some car dealers, like Larry Salus of Drew Ford, believe the law will only "add to the cost of buying a car, and is unnecessary."

"There's never been a time when dealers didn't want to see customers happy," he said.

Rosemary Shahan-Dunlap, who helped organize Motor Voters in San Diego after her own problems with a car dealership, and testified on behalf of the lemon law several times, said the bill is "fair and reasonable."

The next step, she said, will be educating consumers and attorneys about the bill, and working for the passage of a similar law for used cars, although she was less optimistic about its chances of success.

The House of Representatives last month overturned a Federal Trade Commission rule that would have required auto dealers to disclose known defects in their used cars.

De Furia said a state bill that would have provided protection to the used car buyer "went down in flames" two years ago. He added that Tanner is not sure whether she will pursue the issue with another bill.

SAYING ABOUT AUTOCAP

"Agreeing to participate in AUTOCAP and to be bound by its decisions, is an excellent way for automobile dealers and manufacturers to demonstrate their commitment to quality and customer service."

Virginia Knauer,
U.S. Office of Consumer
Affairs

"I am lost for the proper words to thank you for assisting me in a seemingly futile effort in obtaining a new windshield for my car."

Gretchen L. Jack,
Charleston, West Virginia

"Once again, thank you for your help and assistance. Please relate to the dealer my sincere thanks for standing behind their product and making the deal satisfactory for both of us."

Helen Lothrop
Boston, Massachusetts

"As an attorney with no small amount of experience in helping others with their consumer complaints, I must say that your results are most impressive."

Patrick Corbin
Duncanville, Texas

"Because of your efforts I was able to get the results I wanted but had not been able to obtain on my own. Hopefully I will not have to call on your organization again but if I do, I know I will be in good hands."

Karen Ostiller
Beverly Hills, California

Montana AUTOCAP
Sponsored by the Montana Automobile
Dealers Association
501 N. Sanders
Helena, Montana 59601

AUTOCAP

Automotive Consumer Action Program

AUTOCAP



Where to get
help when
you have an
automotive
complaint
involving a
new car or
truck dealer

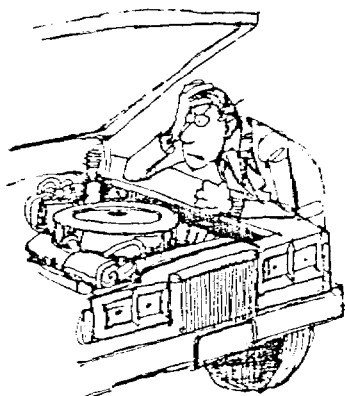


A CONSUMER SERVICE

AUTOCAP—Automotive Consumer Action Program—is a free, easy-to-use public service that can help you when you have a problem involving a participating new car or truck dealer, or manufacturer.

Most problems are solved at the dealership level, but if you are unable to reach an understanding, AUTOCAP can informally mediate your disagreement through a panel of consumer and dealer representatives. The panel will review the case facts and recommend a course of action. A fair solution is achieved in virtually all cases.

Voluntarily sponsored by many state and local dealer associations, all AUTOCAPS follow standards set by the National Automobile Dealers Association. These standards have been endorsed by the U.S. Office of Consumer Affairs as a "major step in addressing automotive complaints."



IF YOU HAVE A PROBLEM

We hope you won't have any problems with your new car or truck, but if you do, use the following procedure:

STEP 1. Always talk to someone in authority at the dealership first. If there

exactly what is wrong and how you feel about it. Ask what will be done.

For example, talk to the service manager if the problem involves auto service, or the sales manager for a sales problem. If you still have a problem after this, talk to the owner of the dealership. Dealer personnel are anxious to make you a satisfied customer and will work with you on problems that arise.

If the problem involves the manufacturer, ask your dealer's personnel to help you get in touch with the local zone representative to discuss your problem.

STEP 2. If you cannot reach an understanding with the participating dealer or manufacturer, contact AUTOCAP.

A. AUTOCAP staff will provide you with a form to record your complaint in writing. You'll be asked to note the following information:

- Vehicle year, make, model, serial number (VIN), mileage, date of purchase.
- The nature of your complaint—service, warranty, new or used car or truck purchase, advertising, etc.
- A brief description of the problem.
- What remedy or action you think is appropriate.

B. Once the AUTOCAP staff receives your complaint in writing, they will forward it to the participating dealer or manufacturer, giving them reasonable time to respond. If the complaint cannot be satisfactorily resolved at this level, then it will be referred for review by the AUTOCAP panel at its next meeting.

C. The AUTOCAP panel, composed of no fewer than 50 percent consumer representatives, meets periodically to review unresolved automotive consumer com-

plaints and to recommend fair solutions. You will be kept fully informed of all actions, meetings, decisions, and any delays in processing your case. Participating dealers or manufacturers voluntarily agree to honor the decisions of the panel. However, if you choose, you are free to pursue other existing remedies of redress.



AUTOCAP cannot be effective in cases where:

1. Legal action has already begun.
2. You have already hired a lawyer, unless the lawyer agrees to participate.
3. The problem involves a dealership or manufacturer not participating in the AUTOCAP program.

Remember, if you're having an automotive problem with a car or truck dealership, or manufacturer, try to talk to the dealer or zone office first, then contact AUTOCAP. Your closest AUTOCAP address is:

Montana AUTOCAP
501 North Sanders
Helena, Montana 59601

(406) 443-4426

STATEMENT OF STEVEN E. SLAGLE
IN FAVOR OF HOUSE BILL 18

In considering the manner in which to relay my message, I concluded that perhaps it could best be conveyed by recapping the events which led to my presence here today.

The primary problems encountered have been the inability to get repairs made, the car being held in the shop for extensive periods of time, and the absence of response from the dealers, the manufacturer and an organized liaison group.

- 4-27-82 Wife took care to shop -
Essentially nothing done except notice that parts would have to be ordered.
- 7-12-82 Took day off work to take car to shop. Arrived approximately 8:30 a.m. - went to shopping center to kill time - Returned to shop about 11:30 a.m. - car had not been moved - car finally taken to alignment shop about noon - care returned and broken emblem glued, speedometer cable lubed and new control unit for seat belt warning installed. Discovered that parts that were to be ordered on 4-27-82 were never even ordered. Appointment made to bring car back on 7-27-82.
- 7-27-82 Took care to shop - arrived approximately 8:30 a.m. Left car at shop - was to be notified when car was repaired - Having heard nothing, I called shop on 8-2-82 as I had plans to leave for vacation on 8-6-82 - I was told that car was not ready, but was near completion (parts were not in but would be soon). I called again on 8-3-82 and was told that car was not complete because they had cars ahead of mine. (Appointment was made on 7-12-82 and shop had had car for 7 days at that time) - that message prompted me to call the AMC Zone Office in Denver - only response was that they would check into the matter and get back to me - I have not heard from them - Finally was able to pick up the car on 8-6-82 after talking with the V.P. of the dealership (from whom I purchased the car) - Found that real problem was that wrong parts were ordered -- Discovered after leaving shop that brake caliper was dragging (while in shop, speedometer cable was replaced, ripped seat was repaired, and new bearings were installed, rear differential (one bad bearing race found but not source of noise).

8-20-82 Returned car to shop for repair of same defects that had been reported on previous visits - left car to be repaired - was to be informed when car was ready - had heard nothing by 9-7-82 so called shop to check on status - was informed that car had been "ready" for over a week but that problems could not be located - suggested I drive car until it broke and then problems could be located - I refused to accept this solution and made arrangements to take car to another shop - car was transferred to another shop on 9-8-82.

9-7-82 Sent letter to AMC Owner Relations Department in Detroit.

9-21-82 Received cal from AMC Owner Relations Department - was told that they would "follow up" and report back to me by 9-28-82 - Have not heard from them.

10-20-82 Retrieved car from shop (after 61 consecutive days in two shops - new bearings had been installed in transfer case (one bad bearing found), new flywheel had been installed, and missing motor mount bolts were finally installed - noise and vibration still existed. Discussed problems with AMC District Service Representative (who was at dealership at the time). He agreed to personally search for source of problems in Helena on 11-9-82.

11-9-82 Car taken to shop in Helena where District Service Representative inspected car and personally supervised installation of re-designed brake drums (source of vibration in brakes) - District Representative's diagnosis of howl in driveline was bearings in transfer case (which had already been replaced) - Reply was that AMC did not want to spend that kind of money. Arrangements were made to return car to shop on 11-30-82 for repairs.

11-30-82 Car returned to shop and left for repairs - while in shop it was decided that source of noise was front differential bearings in front differential were replaced - It was also discovered that rear driveshaft had been installed with u-joints out of place - noise and engine vibration persist.

Approx.
11-14-82 Wife hears part of story on radio about an arbitration board to deal with problems with new cars and calls Montana Department of Consumer Affairs seeking more information - is referred to AUTOCAP.

Approx.
1-3-83

Contacted owner of dealership in Helena - was informed he would follow-up and get back to me - no response to date.

Approx.
1-10-83

Heard story on radio about a bill introduced in Legislature that dealt with type of problem I was having.

1-17-83

Contacted Representative Harrington's office and was asked to testify at hearing.

Expenses incurred in futil attempts to obtain repair of defects on this car are now approaching \$1,000, including six days lost work time, over 1000 miles — drive, 14 telephone calls, and approximately 100 extra gallons of gasoline (because of having to drive my truck to work). These expenses do not include cost of such items as insurance, taxes, license, and interest incurred while the car is in the shop and not available for use. I have discovered that part of the long time required for repairs stems from AMC's very poor parts distribution system wherein an inadequate stock is maintained by the dealers (at least some) and when parts are ordered, it takes from two to four weeks for delivery. It also appears that AMC has no incentive to follow-up on complaints and to return contacts as is often promised. It is my opinion that I have afforded AMC every opportunity to carry out their obligation to honor the warranty and they have failed to do so. I also feel that I have exhausted practically every avenue of recourse short of litigation. I, therefore, believe that there is a definite need for the legislation that is being discussed today.

DEFECTS NOT REPAIRED
(as of 1-18-83)

	<u>DATE REPORTED</u>
Howl in drivetrain	4-27-82
Vibration in engine	7-11-82
Pulsating and resonating rumble	7-12-82
Squawking and popping in front suspension	4-27-82
Fender flare warped	7-12-82
Rattle in steering column	7-12-82
Lower radiator hose rubbing on x-member	7-12-82
Chatter in shifter	9-8-82
Noisy valve train	7-12-82
Brake caliper rubbing	8-20-82
Misalignment of doors	7-12-82
Missing warranty card	7-12-82

DEFECTS REPAIRED
(as of 1-8-83)

	<u>Date Reported</u>	<u>Date Repaired</u>
Vibrating speedometer needle	4-27-82	8-6-82
Ripped seat	before purch.	8-6-82
Missing motor mount bolts	4-27-82	10-20-82
Broken emblem	7-12-82	7-12-82
Vibration in Brakes	7-12-82	12-2-82
Broken tilt-wheel release lever	7-12-82	Received part 9-8-82
Seat belt buzzer and light	4-27-82	7-12-82
Front end alignment	7-12-82	7-12-82
Consistent low water-level in radiator	7-12-82	Received part 7-12-82
Leaking pinion and transfer case seals	7-12-82	7-12-82

DEFECTS NOT REPORTED

(as of 1-8-83)

Broken spring in drivers seat

Noisy alternator bearings

Bad shock absorbers (front)

Choke adjustment

NUMBER OF DAYS IN SHOP

<u>DATE TO SHOP</u>	<u>DATE RETURNED</u>	<u>LOCATION</u>	<u>DAYS IN SHOP</u>	<u>MILEAGE</u>
4-27-82	4-27-82	Butte	1	4601
7-12-82	7-12-82	Butte	1	9279
7-27-82	8-6-82	Butte	11	9862
8-20-82	9-8-82	Butte	20	13337
9-8-82	10-20-82	Bozeman	41	13490
11-9-82	11-9-82	Helena	1	
11-30-82	12-2-82	Helena	<u>3</u>	
TOTAL DAYS IN SHOP			78	

TELEPHONE CALLS

4-21-82	4:15 P	Butte, MT	494-7874	Five Minutes	\$1.31
6-15-82	4:14 P	Butte, MT	494-7874	Eight Minutes	2.00
7-6-82	4:07 P	Butte, MT	494-7874	Six Minutes	1.54
8-2-82	4:02 P	Butte, MT	494-7874	Four Minutes	1.08
8-2-82	4:07 P	Butte, MT	494-7874	Three Minutes	.85
8-3-82	4:09 P	Butte, MT	494-7874	Four Minutes	1.08
8-3-82	4:13 P	Aurora, CO	373-5800	Six Minutes	2.77
8-16-82	2:23 P	Butte, MT	494-7874	Two Minutes	.62
9-7-82	4:00 P	Butte, MT	494-7874	One Minute	.39
9-7-82	4:06 P	Bozeman, MT	587-5127	One Minute	.45
9-8-82	9:07 A	Butte, MT	494-7874	Ten Minutes	2.46
10-11-82	9:18 A	Bozeman, MT	587-5127	Two Minutes	.75
10-19-82	3:36 P	Bozeman, MT	587-5127	Two Minutes	.75
10-21-82	4:28 P	Aurora, CO	373-5800	Two Minutes	<u>1.05</u>

\$20.10

STATEMENT IN FAVOR OF HOUSE BILL 13
by VICKIE KROLL

On December 1, 1979, I bought a 1979 Fiat Strada from Personal Pontiac, (see contract) who has since gone out of business. Soon afterwards, the car problems started. The following are the problems and complaints I had:

The first week after getting the car the heater fan wouldn't work. I took the car to the garage and they told my daughter (who had picked up the car for me) that they had fixed it but they hadn't. This was in the middle of winter so I had to do without a heater for 2 1/2 months because they didn't have the parts. I told Bob Cowan (Service Manager) that I was going out of the state and the weather was below zero so he said to bring it back and he would cross the wires so that I would have heat. He did and I drove the car for a couple of months like that until he got the parts.

A few days later my car started to steam and over heat. I took it to Personal Pontiac and after Bob Cowan had looked at it he said the radiator was practically dry. He put in a gallon of Prestone but it still smelled and kept on leaking. The leak stopped after a few days--it must have sealed.

I ordered a radio to be installed in my car at the time of purchase and Personal Pontiac subcontracted with Opera House of Helena to install it. They worked on the car and, in the process, scratched up the dash, disconnected the dash lights, heater light and warning buzzer and the fan to the heater. I was promised the car at 5 p.m. but the manager called and said it wouldn't be ready until 10 p.m. After starting the car and letting it run for awhile, I went back into the store and told the manager that I didn't have any heat or dash lights. The service person came out and checked the fuses and said that they seemed to be in order but didn't make any effort to do anything else. I had to drive home in sub-zero weather again without any heat. The next day I took the car up to Personal Pontiac and they installed the radio and said that Opera House didn't have the wiring diagram and didn't know how to rewire it so I wouldn't be without heat and dash lights. Neither did they know how to wire them back like they were originally so that I would have heat and dash lights.

Then the car started to jerk along and die after it had been started and run for a short distance, then stopped and run again. I have been involved in two minor accidents because of this mechanical defect. Mr. Cowan said that this was a defect in all of the Fiat cars and thought it was the carburetor and that the Fiat Company would have it corrected in the Spring. On February 14, 1980, I wrote a letter to Fiat Motors of North America Inc., Compton, CA (see attached) stating the problems that I had to date but I never did receive an answer from them.

On February 2, 1980, I called Bob Cowan and told him I couldn't start my car and asked if he would come out and see what the problem was. He came five miles out in the valley with a wrecker and charged me \$40 for the service to tow my car into the garage to replace the spark plugs. He said that I would have to pay for the wrecker myself as it was my fault that it flooded and the plugs were soaked. Later he admitted that the choke was sticking and flooding the car, although he never offered to refund the wrecker fee.

I took the car in for the 1,500 mile customer service check and they ended up charging me when the service was supposed to be free minus the materials. They ended up giving me a refund. While the car was there they fixed the grinding noise in the steering wheel but put the wheel back on crooked so the spokes were going sideways. They also did away with my turn signals at the same time. I had to take the car back the next day to be fixed. When

I took the car back I noticed when I put on the brakes or the turn signals, the clock would blink on and off. I told the mechanic that there must be a short somewhere because when I opened the door and touched the metal part of the door I would get a shock. The speedometer and odometer didn't work either.

The first part of January I received a letter on a recall regarding the rear tail lights. I asked them if they could fix this and they said they didn't have the parts yet but they were fixed February 12, 1980.

I also had a rattle under the hood of the car where the spare tire is kept and told them about this. They stuck a piece of rough split wood in between the tire and the tire holder. Whatever was wrong and making the rattle still is. The gear shift cover was broken and wouldn't stay over the gear shift opening so Personal Pontiac put a screw in the cover on the passenger side of the gear shift casing to hold the top on.

About this time I wrote a letter to Fiat Motors of North America Inc. in Montvale, New Jersey and sent a copy of the letter to the Department of Transportation. Neither one bothered to answer me.

In March I wrote a letter to the Fiat Motors of North America Inc. in Cypress, CA to see if I could get an answer to my letter with a list of my complaints. I did receive an answer to the effect, "On your behalf we have forwarded your complaint to your servicing dealer. You should be contacted within two weeks (which I never was) in order to resolve the problems you are currently experiencing. Our field personnel are available to assist the dealer technically in the repair of your car, at his request. If you have not been contacted within two weeks, please contact Lyle A. Massaro at Personal Pontiac, Helena, MT and advise him of the situation. (This had been brought to Lyle Massaro's attention many times.) We thank you for bringing this to our attention. Please be assured of our concern." I was never contacted by anyone from Fiat Motors or Personal Pontiac.

April: I took the car up to have the heater fan fixed. They fixed the fan but shorted out the horn and dimmer switch which caused an electrical fire, as the knob to the dimmer switch had been burned and a part of the dash was scorched. They offered no apology for the damage.

April 15, 1980: The sending unit to the blinkers and horn needed to be replaced and the horn connector unit in the column was broken off and had to be ordered.

April 18, 1980, Friday: I took the car in again to have the back-up lights fixed as they stayed on continuously. Lyle Massaro said I could wait for the car as it would just take a few minutes, so I went to a cafe nearby and had coffee. When I returned in thirty minutes my car wasn't fixed so I talked to Lyle Massaro for an hour while they worked on it. Finally Bob Cowan came out and said he would have to keep the car overnight, so one of the help drove me home and Mr. Massaro told me to call the next morning at 11 a.m. to see if the car had been repaired. April 19, Saturday, I called and Lyle said Bob Cowan had all the wires torn out of the car and I would have to wait until Monday. I told him I had to have a car because I had to take my dad to the hospital by 6:30 a.m. for an operation. He said he was sorry but didn't have any loaner cars as he only had three and one was loaned to his mother-in-law. Then he asked me to ask my daughter if I could borrow one of her cars. I didn't get my car back until Monday afternoon, April 21, 1980.

April 25, 1980 I went to town and parked. When I came out ten minutes later, the car wouldn't start. I called Mr. Massaro. He was out so I asked for Bob Cowan and he was also gone and Fred Leidle, the mechanic, said he didn't know what was causing the problem and for me to call back in 15 minutes when there would be someone there. Finally in about 45 minutes Mr. Cowan showed up and he had to jump the car to get it started. He said I shouldn't have been driving the car such a short distance in town as that is what ran the battery down. I had just come from my home which is six miles out in the valley and the drug store was my first stop.

June 13, 1980, there was a factory recall on the sway bar.

June 14, 1980, rain came in the hatchback and soaked my tools and clothes while I was in California. A part fell on the floor from the heater vent. I took it to the garage and they said they didn't know what it was but that it didn't belong on a Fiat.

June 16, 1980, I turned on the air conditioner and smoke came pouring out of the instrument panel. It burned the dimmer switch on the dash and scared me because I thought the whole car was going up in smoke. This is the second time this has happened.

September 3, 1980, I took the car to Great Falls as there is no longer a dealer in Helena. First I went to an auto parts store in Helena to get a part for the battery light as it was on all the time, and one of the belts had broken. The fellow at the parts store said it was the drive chain and not to drive it any more until it was fixed, so I got a trailer and had my son-in-law tow the car to Great Falls and back. We got to the Fiat dealer and the mechanic said it was just the alternator belt so he gave me one and we came back to Helena. He didn't even offer to fix it. The trip cost \$35 in gas and oil for my son-in-law's pickup besides our time.

September 26, 1980, I took the car to Prospector Chevrolet because the battery wouldn't hold a charge. The mechanic tightened the alternator belt and put belt dressing on it for a charge of \$23. The fellow in Great Falls at the Fiat dealer had given me the wrong size belt and it couldn't be tightened up.

October 3, 1980, Friday, after not having driven the car since Wednesday evening, I went out to start the car and the battery was dead so I called Sue Massaro who works for Prospector Chevrolet and she said they did all they could with the car and suggested that I take the car to Great Falls or Butte so I could have it worked on under warranty. According to everyone at the garage I have all kinds of time to run back and forth to Great Falls. Prospector Chevrolet should have known that the belt was too big and couldn't be tightened up. I was without a car from October 3 until I could get to Great Falls to have it repaired. I asked Sue Massaro if she could get my car on that Friday but she said it would be next week before they could do it.

October 9, 1980, I took the car to Al Bengtson who was the mechanic at the Helena Pontiac dealer. He said it had the wrong alternator belt on it and couldn't be tightened so he put on a new belt. The car was missing so he put in a new spark plug which replaced one that had cracked porcelain. The cost was \$15.10

In order to rid myself of the problems, I took the car to Great Falls, City Motors and traded it for a Chevrolet Citation. Later the fellow who bought my car called to check on its performance, and I told him. He said he wished he had called me before he bought it. I sent him the letters and bills on the car and he said he was going to follow up on it.

To Whom IT May Concern,

February 12, 1983

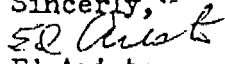
The following is my disposition on two cars I have owned in the last (3) three years; 1. 1980 Buick Skylark Limited and 2. 1981 Renault 18i. Both cars were purchased as new models with full warranties. I have had troubles with both cars and not much help from the Dealers.

Listed below are the problems I've had with my cars:

1980 Buick Skylark Limited: (Purchased in Billings from Selover Buick)—

<u>ITEM</u>	<u>PROBLEM</u>	<u>DISPOSITION</u>
1.	Transmission-Burnt up in 14 days	It took 2½ weeks to repair
2.	Window-fell down	Fixed but they cracked the door panel.
3.	Door Panel-split	I had the car in for separate days to fix. They either order wrong or didn't have the time to fix
4.	Water Pump-Bearing Failure	Cost \$75.00, Dealer split cost. Warranty had expired 2 months ago.
5.	Fuel Pump- Seal Ruptured	Cost \$88.00
6.	Battery-Dead Cell	Cost \$37.00, Pro-Rated warranty.
7.	Speedometer-Loud Squeal	Cost \$14.00 to repair in Helena at a Buick Dealer, drove 60 miles and it returned. I spent 40 minutes and repaired it myself.
8.	Front Axle-Bearing Out	Would have cost \$375.00, Traded for Renault.

The maintenance repair for the most part was satisfactory, but the salesman had made promises that he never came through with. I had owned this car (1½) One and a Half years.

Sincerely,

 Ed Aristo

1981 Renault 181 Deluxe:(Purchased in Butte at Lyon's Motors)

Before buying we were told Lyon's stocked Renault parts or it would only be 2 day delivery. Alternator was 4 days, any other and all the rest have taken up to 6 weeks. I needed extra leg room-No problem, they could move the seat back. They moved it $\frac{1}{2}$ inch. I said I needed more, but they wouldn't do anymore for my comfort. I drive 2400-3000 miles/month.

A bike rack was promised in the deal, but after we bought the car we were told it was discontinued. They order a luggage rack and would mount a bike rack on it. They were to busy to installed and said I could do it. After I installed the luggage rack I found outthe bike rack was too small to fit. They sent me to a Pacific Hide and Fur for the tubing to manufacture myself.

I have taken it in because of a miss in the timing. I have had it in over 8(eight) times and it still is missing. I have been given the excuss from plugs,timiming off,fuel injectors,valves,gas bad, etc. Once they kept it in the shop for 6 weeks and when they finished it still missed. And every time the mechanic admitted it did miss bad. They have tried to fix by turning up the idle to replacing the injectors.

The Oxygen sensors have been replaced,Fuel injectors, Fuel sensor, and the plug wires have been replaced.

The Hazard, lights when on would turn on the radio. I had this fixed and then the radio would not come on on accessory. It took two more tries to remedy this problem and finally did(I took it to another Renault dealer).

The air-conditioning caught fire, that took three weeks to fix. Before it had caught fire I complained that it made a loud buzzing noise, I was told this was normal.

The heater cable broke and was replaced.

The battery indicator light has been on since mid-October. They told me the battery was fine but they would find out what was causing it and fix it. After stopping in several times to see if they had an answer they said they would let me know when they found out. On February 05,1983 my car went dead. They jump started it and it was in the shop 5 days,working days. The regulator was bad, but the light is still on. They can't figure it out. I have it back but who knows what will go wrong with it next and what excuss will I get this time.

Several times this summer(1982) I wanted to trade it off. The salesman told me Pat Lyon didn't want it back. The best offer I had from them was 4000.00dollars against a new car. I am still trying to trade but the best they offer is \$5000.00. I will probably won't trade with them, but I'M tired of them saying that I have a LEMON and make it sound like I did it.

Butte is limited to the car dealers it has and this is why we still deal with Lyon's Motors. We want to support the local economy and most important have local service.

Sincerely,

Ed Aristo

Ed Aristo

STATEMENT IN FAVOR OF HOUSE BILL 18

by Don Miller

Just to show you what a dealer can or cannot do, I refer to two past experiences I had.

In 1964, I purchased a new GMC pickup with a V6 engine from Lang of Three Forks. During warm to hot weather I couldn't wish for a better performing vehicle. But when the temperature dropped to near freezing, the carburetor froze up inside the throat and the intake manifold. I took this back to the dealer repeatedly and seemingly "Nothing could be done" to overcome this condition. After several calls he told me "Guess you're just going to have to drive it during the summer and park it all winter long, ain't you?" I was virtually a kid, but not without determination. I went to the dealer in Bozeman, then Robert Dye and was told to take my troubles elsewhere. Finally, going to Beach, North Dakota, I was told this was not uncommon in that vehicle and that it could be fixed but at my expense since the warranty period had expired. They told me, or rather gave me the name and address of the field man out of Minneapolis, Minnesota. I called him and he had me bring this unit into Bozeman on a specific day. He stripped the entire top of that motor, replacing the intake manifold, carburetor and exhaust manifold. During this operation he told me that even a tiny molding roughness inside either manifold, usually in the intake manifold, could and would create a deflection of air passage that caused such conditions in some motors. He told me it was impossible to point to any one spot that was the cause, but it was undoubtedly there. He also told me both dealers were more than well aware of this condition and should have made proper replacement of all parts immediately. He further added that many dealers won't make such replacement until or unless the vehicle is out of warranty because warranty work is not as profitable as being able to charge the customer. I drive this vehicle over 100,000 miles and it performed beautifully and was, in fact, one of the best vehicles I have ever owned. I later received a copy of the letter he sent to both dealers. Had I not gone to the very top, I would have been stuck for a huge repair bill, an out and out swindle.

The second situation dealt with the pickup I am now driving; a 1970 GMC. For the first 10,000 miles this vehicle spent more time in the shop than on the road. Within a hundred miles the transmission locked in fourth gear. It was a fourspeed. I had it shoved into Bozeman and Dye's where I bought it. I was literally insulted by everyone concerned. Come to find out, this was characteristic of that particular model's transmission and that the Company had issued notice to change this transmission to a different one before this series pickup was to even leave the dealership location. When this change was completed, I was told, and I am quoting, "Now get this the hell out of here and don't come back!"

Statement
Don Miller
Page Two

I did come back when the motor began acting up. After several attempts I was about to give up when I stopped at Ray Brence's service station in Helena for gas and told him of my problems. He looked at me as if--I really don't know how to explain what his expression was; one of shock, I guess. Then he told me, "That is so simple to fix. I could fix it in ten minutes if you've got the time right now. If you don't, you're going to burn the valve up." It cost me five bucks and maybe fifteen minutes. The five bucks included the part, too. It was plain to me what Dye was striving for. A nice sized repair bill for "Doing a valve job" on a vehicle that was deliberately left go so that could and would happen. I immediately notified the main office of this dealer's negligence and ill treatment of customers. Within a matter of days, the rear end went out. Again, I was virtually condemned. I personally pulled the plug in the rearend and it was as dry as dry as dry could be. During the servicing of this vehicle at its 1,000 mile check, they drained the rearend and forgot to fill it. The shop foreman even accused me of having drained it until I handed him a knuckle sandwich and then, on their phone, called the head office in Minneapolis. After explaining what had transpired, they had Dye put on the phone--I was to listen in. He was told in no short terms that this vehicle was to be operating in peak performance within the week or all hell was going to break loose in Bozeman. It was, and today I have right on 130,000 miles on this vehicle and so far, it has not been touched as far as repairs are concerned.

I only hope you and your aides don't buy this line that Jerry Raunig is peddling. Every dealer knows what the company policy is, but damn few abide by those regulations unless and until the pressure is and has been applied at the top level. And, the reason is so obvious. Under warranty, a dealer is not paid list for parts but is paid at cost, his labor is about half that of the standard going fee, and he is paid on a flat rate factor as computed by the company, not the "Flat Rate as Computed By The Dealer." This later is never less than twice what the job calls for under company flat rating factors. I know, I sold chainsaws for ten years in Belgrade so I know what company flat rates are as compared to dealer rates, flat or otherwise. There just isn't any money to be made in warranty work.

Don Miller
Box 487
Helena, MT 59624
Phone: 227-5162
Letter written on 1/25/83

se

January 3, 1975

Porsche, Audi
818
Englewood Cliffs, New Jersey 07032

Dear Sirs:

I would like to share with you some experiences I have had on service for my new Audi 100.

I purchased this car from Atkin Volkswagen in Butte, Montana on August 9, 1974. This is the first time in my life I ever paid full sticker price for a car. I purchased the car there because they were the closest Audi dealer. Bear in mind that Butte is 90 miles from here, and it is a little inconvenient to get it serviced.

The first time I had it serviced, my wife took the car over with the following items to be fixed.

1. Service.
2. Air shimmied at approximately 70 M.P.H.
3. Adjust headlight.
4. Fresh air vents were not seating - cold air coming into the car.
5. Switch that turns on radiator fan not working properly - car gets hot before turning on.
6. Car pulls to the right when applying brakes.

After waiting all day for the car, they did the following:

1. Serviced car.
2. Could not correct shimmying - said they did not balance tires or do any alignment - have to go elsewhere.
3. Adjusted headlights.
4. Said they could not repair air vents, that it required special tools.
5. Nothing - car is supposed to get "hot" before key turns on.
6. Corrected.

The day after the car was serviced, I called Bill Atkin and told him in a nice way his service was not much. He said he'd look into it.

The following day I went to Thompson Falls, Montana and on the way there, I was stopped at a routine Patrol Road Block and was told to get my headlights adjusted. I did at Thompson Falls. They had adjusted the brights for the dims and visa versa. I also had the wheels balanced and the air vents repaired at a service station here before I left.

On Saturday, November 2, 1974, I went to Missoula, Montana, and the car quit on the Butte hill. I discovered the carburetor was not getting any air, but made it to Butte. The service manager just happened to be there. He found the valve in the carburetor air intake was stuck (defective), he removed this and said he would order one. After this, I started getting about 14 - 16 per gallon.

I called the dealer on about November 30th to see if the part was in, it was not. However, he said to bring the car in on December 3rd and he would have the part and he would service the car at that time. My wife took the car over there on that date with the following items:

1. Service
2. Replace right front light. (It actually never worked at all).
3. Install air valve for carburetor
4. Idled too fast
5. Improve gas mileage.
6. Car gets too hot - replace switch.
7. Adjust left rear door.

They did the following:

1. Serviced - charged \$1.10 per qt. of oil (no objection) plus \$3.50 for putting it in.
2. Replaced front fender bulb (60¢ for bulb, \$1.50 to install. Light still does not work.
3. Valve for carburetor not installed.
4. Some improvement, but still not right.
5. Improve gas mileage - charged \$6.00, sent to Missoula four days later (200 miles) and about ran out of gas, about 13 miles per gallon.
6. Installed new fan switch - now it turns on anytime - on cold and on medium.
7. Adjusted left rear door.

On the next trip past Butte on December 20th, I stopped and talked to the assistant service manager. He said he would find out where the carburetor part was and would call me on Monday, December 23rd, and let me know when to correct it - he never called.

On December 26th, I called the service manager and he said he would call the parts depot or a branch supplier and would call me back before 11 a.m. He hasn't called as yet.

I like the car very much, but no product is any better than the service that can be rendered on it. I purchased the car with the impression that I would get excellent service. It now appears that I am not going to get it.

I appreciate the fine construction, and engineering of the car, but if any major thing happens, I am afraid I will be "down the tube". I am sorry now that I purchased this make of car.

Your comments would be appreciated.

Yours truly,

J. PAUL PETERSEN

JPP/lc

cc: Porsche Audi Northwest, Inc.
5 Oak Industrial Park
Box 220
Hillsboro, OR 97123

cc: Bill Atkin
Atkin Volkswagen - Porsche - Audi Inc.
Butte, Montana 59701



Service Electric

BOX 1198 • 39 N. ROUSE • BOZEMAN, MONTANA 59715 • 408-587-6518

December 3, 1981

Buick Motor Division
General Motors Corporation
Flint, Michigan 48550

Re: 1981 Buick
Present mileage - approximately 10,000

Gentlemen:

In February of this year I received my new Buick Skylark Limited. I trade cars every two years and this is my fifth Buick.

This car has given me more problems than the other four combined. Following is a list of some of the problems incurred:

Cruise control failed - new one installed

Gas gauge sensor failed - new one installed

The car shimmied;

1st call - wheel weights

2nd call - adjust wheel weights

3rd call - lump of rubber found inside tire

4th call - bad wheel

5th call - removed all wheels and tires (tried new ones) This time car vibrated excessively; found car was missing, spark plug wires grounding out. Couldn't tell if tires or wheels were the problem. Tires and wheels reinstalled.

6th time to lost count - car still vibrated excessively; took car to Harrison Tire Company; found three more bad wheels; wheels replaced. Had tires balanced at Harrison Tire. Next trip car still shimmied slightly at certain speeds. Took car back to Harrison Tire and they rebalanced; car was better but it still shimmies slightly at certain speeds. Don Norem and Harrison Tire both unable to fix.

The power on the power brakes does not always function; quite often when car is in reverse and intermittently in forward. This is very dangerous. They repaired but it still does it. I want it on record that the brakes do not always work.

The oxygen sensor failed - new one installed

The delay part of the wind-shield wiper failed - new one installed

The above complaints does not include the customary rattles, the speedometer that makes noise, the sun visor that became loose, etc.



Service Electric

BOX 1188 • 38 N. ROUSE • BOZEMAN, MONTANA 59716 • 408-687-5518

Buick Motor Division - December 3, 1981

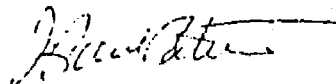
Page 2

I am not unhappy with Don Norem Chevrolet-Buick. Their service department has been good. However, there is a limit to their patience and ability; also my patience is exhausted.

Needless to say you have a very dissatisfied Buick owner.

Yours truly,

SERVICE ELECTRIC


J. Paul Petersen

Enclosures

CC: Buick Zone Office
Edina, Minnesota 55435

Don Norem Chevrolet-Buick
Bozeman, Montana

JPP/mm

P.S. Car was in for a total of 13 times for wheel balancing. Never did get it fixed; finally traded it off.

DATE _____

COMMITTEE ON BUSINESS & INDUSTRY

BUSINESS & INDUSTRY

VISITORS' REGISTER

[illegible]

NAME: Arthur W. Schmitt DATE: 3/2/83

ADDRESS: 917 Utah Ave Butte MT 59705

PHONE: 782-3008

REPRESENTING WHOM? Self

APPEARING ON WHICH PROPOSAL: HB-18

DO YOU: SUPPORT? X AMEND? OPPOSE?

COMMENTS: Attached Copy of
Interview -

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Anna Blom DATE: 3/2/83

ADDRESS: 509 E. 8th

PHONE: 563-6498

REPRESENTING WHOM? Myself

APPEARING ON WHICH PROPOSAL: H.B. 18

DO YOU: SUPPORT? ☒ AMEND? ☐ OPPOSE? ☐

COMMENTS: Had a lemon car.

Lost a bundle of money on it.
Dealer would not stand behind
car. We were stuck

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

(This sheet to be used by those testifying on a bill.)

NAME: C.R. Taylor DATE: 3/2/87

ADDRESS: 1305 Buffalo, Hertz

PHONE: 458-9109

REPRESENTING WHOM? self

APPEARING ON WHICH PROPOSAL: HB-18

DO YOU: SUPPORT? ✓ AMEND? OPPOSE?

COMMENT: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: TINA LONGMIRE DATE: 3/2/83

ADDRESS: 421 SPENCER, HELENA 59601

PHONE: 442-0782

REPRESENTING WHOM? HB 18 FOR MYSELF

APPEARING ON WHICH PROPOSAL: HB 18

DO YOU: SUPPORT? ☒ AMEND? ☐ OPPOSE? ☐

COMMENTS: I OWN A LEMON

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

(This sheet to be used by those testifying on a bill.)

NAME: Bocky Schreckloth DATE: 3/2/83

ADDRESS: 4880 N. Montana Ave - Helena - MT

PHONE: 442-4392

REPRESENTING WHOM? Myself

APPEARING ON WHICH PROPOSAL: HB#18

DO YOU: SUPPORT? Yes AMEND? _____ OPPOSE? _____

COMMENT:

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: JERRY RAUNIG DATE: 3-2-83

ADDRESS: HELENA

PHONE: 442-1233

REPRESENTING WHOM? Montana Auto Dealers Association

APPEARING ON WHICH PROPOSAL: HB 18 - Neutral

DO YOU: SUPPORT? _____ AMEND? _____ OPPOSE? _____

COMMENT: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

(This sheet to be used by those testifying on a bill.)

NAME: TOM SCHWERTFEGER DATE: 3/3/83

ADDRESS: 1390 LOBAN #210 DENVER, CO 80203

PHONE: 303-832-1477

REPRESENTING WHOM? MOTOR VEHICLE MANUFACTURERS ASSOC.

APPEARING ON WHICH PROPOSAL: HB-18 - NEUTRAL

DO YOU: SUPPORT? _____ AMEND? _____ OPPOSE? _____

COMMENT: _____

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

1318
car up this last time the cigarette lighter, the interior lights and the clock all stopped working. B.

I have contacted the district manager in Portland and also the dealer here and the one in Bremerton where it was purchased and repaired the first time. ~~and also the~~ I have heard nothing from any of them for over a week. We have been more than cooperative with all of them and General Motors for well over 2 months. We would like to know what legal steps we can take to get satisfaction.

I have made numerous long distance calls on this - with no response and don't feel I should have to keep after them when they are all very much aware of our problem. The service manager here was supposed to pick up the car, where I work a week ago and never did. I feel we have had very poor service. For a new car, purchased for dependability it has been very much the opposite.

Note - Our last name was misspelled on the letter we received along with this complaint form. Thank you.

VEHICLE ORDER

DATE

6-30-1971

1971

DEALER

PURCHASER

PLEASE ENTER MY ORDER FOR ONE SMV. VEHICLE AS FOLLOWS:

YEAR	MAKE	MODEL	TYPE	COLOR
71	Dodge	Charger	205	Black
V.I. OR SERIAL NO.		STOCK NO.		TO BE DELIVERED
1G4AMU7A4B212392E				2005
CASH SALES PRICE				10422
TRADE IN				7723
DIESE				6500
DOCUMENTARY CHARGE & FEES	LICENSE	LICENSE TRANSFER	TITLE	REGISTRATION TAX
TOTAL CASH DELIVERED PRICE				
CREDITS	DEPOSIT ON ORDER			
	ALLOWANCE FOR TRADE-IN AS APPRAISED			
	LESS: BALANCE OWING TO -			
	CASH ON DELIVERY			
RECORD OF TRADE-IN				
YEAR	MAKE	MODEL	TYPE	COLOR
71	DODGE		PU	Black
V.I. OR SERIAL NO.		LICENSE NO.		TITLE NO.

The front and back of this Order comprise the entire agreement affecting this purchase and no other agreement or understanding of any nature concerning same has been made or entered into, or will be recognized.

I have read the matter printed on the back hereof and agree to it as a part of this order the same as if it were printed above my signature. I certify that I am of legal age to execute binding contracts in this State and I hereby acknowledge receipt of a copy of this order.

BUYER'S SIGNATURE

ADDRESS

THIS ORDER IS NOT VALID UNLESS SIGNED AND ACCEPTED BY DEALER OR HIS AUTHORIZED REPRESENTATIVE.

BALEMAN

ACCEPTED BY

DEALER OR AUTHORIZED REPRESENTATIVE

n control systems of your 1981 Buick
ar were designed, built and tested using
parts and the car is certified as being in
with applicable federal emission control
Accordingly, it is recommended that any
parts used for maintenance or for the re-
control systems be new, genuine GM

ITY OBLIGATIONS ARE NOT DEPENDENT
SE OF ANY PARTICULAR BRAND OF RE-
PARTS. THE OWNER MAY ELECT TO USE
E GM PARTS FOR REPLACEMENT PURPOSES.
CEMENT PARTS WHICH ARE NOT OF EQUIV-
Y MAY IMPAIR THE EFFECTIVENESS OF EMIS-
OL SYSTEMS.

n new, genuine GM parts are used for
e replacements or for the repair of com-
acting emission control, the owner should
elf/herself that such parts are warranted
nufacturer to be equivalent to genuine
ors parts in performance and durability.

Service
DE SERVICE CAN BE PERFORMED BY ANY
RVICE OUTLET; HOWEVER, WARRANTY SER-
BE PERFORMED BY AN AUTHORIZED
2. Receipts covering the performance of
enance should be retained in the event
se concerning maintenance. These re-
d be transferred to each subsequent
car. Buick reserves the right deny war-
ge if the vehicle has not been properly
However, this decision would not be
on the absence of maintenance records.

292
talled information concerning parts of the
ntrol systems components covered by the
ntrol Systems Warranties, ask your dealer.

ther warranties covered in this folder, take
your Buick dealer to obtain service under
Performance Warranty. This should be
on as possible after failing an EPA-
M test.

is qualifying under the warranty will be

(Cont'd. on next panel)

25-429

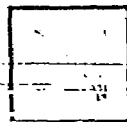
EILERAAS BUICK & GMC, INC.
800 E. PARK ST.
ANACONDA, MT. 59711

performed by your dealer at no charge. Repairs which
do not qualify will be charged to you. In any event,
you will be notified if a repair is covered under the
warranty within a reasonable time (not to exceed 30
days) after receipt of the car by the dealer, or within
the time period required by local or state law. The only
exceptions would be if you request or agree to an
extension, or if a delay results from events beyond the
control of your dealer or Buick. If you are not so
notified, you may be eligible to receive any required
emission performance repairs at no charge.

In the event a warranty matter is not handled to your
satisfaction, refer to the three-step procedure in this
folder entitled "Owner Assistance."

For further information or to report violations of the
Emission Performance Warranty, you may contact the
Director, Field Operation and Support Division
(EN-397), Environmental Protection Agency, 401 M
Street S.W., Washington, D.C. 20460.

The Emission Performance Warranty is currently
the subject of litigation with the U.S. Environmen-
tal Protection Agency. As a result, the warranty
may be modified by the actions of the courts.
Buick reserves the right to change the terms of
the warranty to be consistent with those actions.
See your dealer for information regarding pos-
sible changes.



1981
BUICK
NEW CAR WARRANTY
INFORMATION
(EXCEPT CALIFORNIA)



Wayne Kahm

Owner's Name

110 Mtn. View Homes

Street Address

Anaconda, Mt. 59711

City and State

1 | G | 4 | A | M | 4 | 7 | A | 4 | B | Z | 1 | 2 | 3 | 9 | 8 | 6 |

Vehicle Identification No.

June 30, 1981

Date of Delivery to First Retail Purchaser
(Service Date if Applicable)

0 3 1 1 8

Vehicle Mileage at Time of Such Delivery

WARRANTY (Cont'd.)

Finishing Your Car

Washing — The best way to preserve your car's finish and avoid rust is to keep the car clean by washing frequently. Wash your car only with lukewarm or water. Do not wash the car in the direct rays of the sun. Use strong soap or chemical detergents. Any waxing agents used should be washed off promptly and allowed to dry on the finish.

Material Deposits — Calcium chloride and other salts, ice melting agents, road oil and tar, tree bark droppings, chemicals from industrial chimneys and other foreign matter may damage the car's finish on painted surfaces. Prompt washing may completely remove all these deposits. Additional treatments may be needed. When using chemical treatments developed for this purpose, be sure they are safe to use on painted surfaces.

Underbody Maintenance — Corrosive materials used for snow removal and dust control can collect on underbody parts. If these materials are not removed, accelerated rusting can occur on underbody parts such as fuel lines, frame, floor pan and the exhaust system. At least every spring, flush these materials from the underbody with plain water. Take care to clean any areas where mud and other debris can collect.

Damage — Any stone chips, fractures or deep scratches in the finish should be repaired promptly. Metal will corrode quickly and can develop into a repair expense. Minor chips and scratches can be treated with touch-up materials available from your dealer.

Sheet Metal Damage — If your car is damaged and sheet metal repair or replacement is necessary, be sure your shop applies anti-corrosion materials to the repaired or replaced.

is warranted by the tire manufacturer under a separate warranty included with the owner's literature and with your car. Any Buick dealer will assist you in obtaining an adjustment if this becomes necessary.

EMISSION COMPONENTS DEFECT WARRANTY

Buick (Buick Motor Division, General Motors Corporation) warrants to owners of 1981 Buick passenger cars that the car (1) was designed, built, and equipped so as to conform at the time of sale with applicable regulations of the Federal Environmental Protection Agency, and (2) is free from defects in materials and workmanship which cause the car to fail to conform with applicable Federal Environmental Protection Agency regulations for a period of use of 50,000 miles or 5

years, whichever occurs first. The 5-year/50,000-mile warranty period shall begin on the date the car is delivered to the first retail purchaser or, if the car is first placed in service as a demonstrator or company car prior to sale at retail, on the date the car is first placed in such service. Emission related defects in the genuine GM components listed below (designated with *) are covered by this warranty.

EMISSION PERFORMANCE WARRANTY

Some states and local jurisdictions have established periodic vehicle inspection and maintenance (I/M) programs to encourage proper maintenance of your car. If an EPA-approved I/M program is in force in your area, you also may be eligible for Buick performance warranty coverage under the following conditions:

1. The vehicle must be maintained and operated in accordance with the instructions for proper maintenance and use set forth in the Owner's Manual, the Maintenance Schedule and the Warranty Information folder supplied with your new Buick;
2. The vehicle fails to conform for a period of 5 years or 50,000 miles, whichever occurs first, to the applicable emission standards of the U.S. Environmental Protection Agency, as judged by an EPA-approved I/M test; and
3. The failure to conform results or will result in the owner of the vehicle having to bear a penalty or other sanctions

(including the denial of the right to use the vehicle) under local, state or federal law.

If all of the foregoing conditions are met, Buick warrants that your Buick dealer will replace, repair or adjust to GM specification, at no charge to you, any of the components listed below, or parts thereof, which may be necessary to cause your car to conform to the applicable emission standards. Parts "Certified to EPA Standards" shall be covered by this performance warranty.

This performance warranty begins on the date the car is first put into use and continues for a period of 5 years or 50,000 miles, whichever occurs first, except that if the vehicle has been in operation for over 24 months or 24,000 miles, repairs or replacement shall be limited to only those components (designated with †) which were installed on or in the vehicle for the sale or primary purpose of reducing vehicle emissions and not in general use prior to model year 196

WHAT IS COVERED

Listed below are components affecting emissions of your Buick, if so equipped. EMISSION CONTROL RELATED PARTS OF THESE COMPONENTS ARE COVERED BY THE ABOVE WARRANTIES, WHERE APPLICABLE. Some items require scheduled replacement and are warranted up to the replacement interval. (Refer to Maintenance Schedule folder.)

- Thermostatic Air Cleaner Switch, Control Valve and Associated Parts
- † Air Injection Reactor (AIR) Pump, Air Distributor and Valves
- Pulse AIR Valve and Associated Parts
- † Positive Crankcase Ventilation (PCV) Valve and Associated Parts

- † Exhaust Gas Recirculation (EGR) Valve and Associated Controls
- † Choke Switches and Carburetor Parts
 - Diesel Fuel Injection Pump, Nozzles and Lines
 - Early Fuel Evaporation (EFE) Valve and Associated Controls
- † Computer Command Control: Carbureted Engines
- † Catalytic Converter, Catalyst and Associated Parts
 - Distributor Parts and Associated Controls
 - Spark Plugs and Ignition Wires
- † Fuel Tank Filler Cap, Restrictor and Vapor Control Valves
- † Evaporative Emission Control Carbon Canister and Associated Controls
- † Emission Related Hoses, Clamps, Belts, Pulleys, Tubes, Fittings and Wiring Harness used on the above components

WHAT IS NOT COVERED

THESE WARRANTY OBLIGATIONS DO NOT APPLY TO:

1. Conditions resulting from tampering, misuse, improper adjustments, dirty fuel, alteration, accident, failure to use recommended fuel or not performing maintenance services;
2. The replacement of maintenance parts used in regular maintenance services;
3. Loss of time, inconvenience, loss of use of the car or other

consequential damages;

4. Any car on which odometer mileage has been changed so that mileage cannot be readily determined.

Buick does not authorize any person to create for it any other obligations or liability in connection with these system warranties. These warranties are in addition to the 1981 Buick New Car Warranty.

action and goodwill of owners are of prime concern to Buick dealers and Buick Motor Division. In the event a warranty or some other matter is related to your satisfaction, the following steps are suggested:

1. Is the problem with your Buick dealership or agent?

2. Contact the Buick Zone Office (General Motors Office in Canada) closest to you as listed in the Owner's Manual.

3. Contact the Customer Service Advisor, Buick Motor Division, General Motors Corporation, Flint, Michigan 48550. (In Canada contact the Customer Service Representative at General Motors of Canada Ltd., Oshawa, Ontario L1J 5Z6.)

THINGS YOU SHOULD KNOW ABOUT THE BUICK NEW CAR WARRANTY

1. Intent to repair under the warranty, without anything that goes wrong during the warranty that is our fault. This includes replacing service items, such as oils, coolant and refrigerant, when in making these repairs.

2. Note the distinction between "defects" and "damage" as used in the warranty: Defects are covered because we, the manufacturer, are responsible; on the other hand, we have no control over damage caused by such things as collision, misuse and lack of maintenance which occurs after the car is delivered to you. Therefore, damage for any reason which occurs after the car is delivered to you is not covered under warranty.

3. Routine maintenance services also are excluded from the warranty because it is the owner's responsibility to maintain his/her own vehicle in accordance with the maintenance Schedule provided.

4. "Adjustments" as used in the warranty, refers to repairs not usually associated with the replacement of parts. The warranty covers any adjustment necessary to correct a defect. For instance, if a bolt would become loose or misaligned in normal use, it will be corrected without charge anytime during the full term of the warranty.

5. If you are not satisfied with the service, we recommend that you return to the dealership that sold you your car because of the continued and personal interest in you. If you are touring or move, visit any Buick dealer in the United States or Canada for warranty service. This also applies to service under the other warranties presented in this folder. In the event your car breaks down due to the failure of a warranted part, contact the nearest Buick dealer.

Warranty Service - Foreign Countries

Where General Motors dealer service is not available in the country in which you are touring and warranty repairs are needed, obtain paid receipts covering the work from the service station that performed it. Upon your return home, a statement of the circumstances relative to the work performed, along with the paid receipts, should be given to your dealer for reimbursement consideration. Please note that repairs made necessary by the use of improper or dirty fuels are not covered under the warranty. See Owner's Manual.

Sheet Metal, Paint and Other Appearance Items

Defects or damage to sheet metal, paint, trim or other appearance items may occur at the factory during assembly or while the car is being shipped to the dealer. Normally, any factory defect or damage is detected and corrected at the factory during the inspection process. In addition, Buick dealers are obligated to inspect each car before delivery. They repair any uncorrected factory defects or damage and any transit damage which they detect before the car is delivered to you.

Sheet metal, paint or appearance defects still present at the time the car is delivered to you are covered by the warranty. However, for your protection, we suggest that if you do find any such defects, you advise your dealer without delay, as normal deterioration due to use and exposure is not covered by the warranty.

Air Conditioning

Because of the seasonal use of air conditioning, the sealed refrigerant portion of the air conditioning system installed in your car as original equipment by Buick is covered under the warranty for 12 months, regardless of mileage.

Warranty Repair Order

For your records, the servicing dealer will provide a copy of the Warranty Repair Order listing all warranty repairs performed.

Production Changes

Buick and its dealers reserve the right to make changes in cars built and/or sold by them at any time without incurring any obligation to make the same or similar changes on cars previously built and/or sold by them.

Buick Motor Division, General Motors Corporation, warrants for 1981 model cars that your Buick dealer will repair or replace at no charge any part, except exhaust system components, found to have developed perforation (rust-through) due to corrosion. This warranty begins on the date the car is first delivered or put in use and extends for 36 months, regardless of mileage.

The warranty applies to Buicks registered and normally operated in the United States and Canada.

It is the owner's obligation under the terms of this warranty to maintain the car as specified in this folder.

This warranty does not cover:

- Corrosion due to accident, damage, abuse or vehicle alteration;
- Payment for loss of use of the car during warranty repairs; or
- Surface corrosion, such as that caused by sand, salt, hail or stones.

Corrosion, other than perforation (rust-through), due to defects in material or workmanship, is covered by the 12 month or 12,000 mile New Car Warranty.

For service under this warranty, take your car to your Buick dealer.

The "Other Terms" presented below the New Car Warranty also apply to this warranty.

THINGS YOU SHOULD KNOW ABOUT THE BUICK CORROSION WARRANTY

What Is Covered

The corrosion warranty covers perforation due to corrosion only. Perforation means a rust-through condition, such as an actual hole in a sheet metal panel. Cosmetic or surface corrosion is not covered under the warranty. For example, corrosion caused by stone chips or scratches in the paint would not be repaired under this warranty.

After-Manufacture "Rust Proofing"

Since your car was designed and built to resist corrosion, use of additional rust-inhibiting materials is not necessary and not a requirement under the 36 month Buick corrosion warranty. The decision to obtain such protection is, therefore, left to your discretion.

(Cont. on other side)

reputation and goodwill of owners are of prime concern to Buick dealers and Buick Motor Division. In the event a warranty or some other matter is related to your satisfaction, the following steps are suggested:

1. Is the problem with your Buick dealership management.

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Since services also are excluded from the warranty because it is the owner's responsibility to maintain his/her own vehicle in accordance with the maintenance Schedule provided.

Note "adjustments" as used in the warranty, refers to repairs not usually associated with the replacement of parts. The warranty covers any adjustment necessary to correct a defect. For instance, if a bolt had become loose or misaligned in normal use.

While any Buick dealer will provide warranty service, we recommend that you return to the dealership that sold you your car because of their continued and personal interest in you. If you are touring or move, visit any Buick dealer in the United States or Canada for warranty service. This also applies to service under the other warranties presented in this folder. In the event your car breaks down due to the failure of a warranted part, contact the nearest Buick dealer.

Warranty Service - Foreign Countries

Where General Motors dealer service is not available in the country in which you are touring and warranty repairs are needed, obtain paid receipts covering the work from the service station that performed it. Upon your return home, a statement of the circumstances relative to the work performed, along with the paid receipts, should be given to your dealer for reimbursement consideration. Please note that repairs made necessary by the use of improper or dirty fuels are not covered under the warranty. See Owner's Manual.

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The warranty applies to Buicks registered and normally operated in the United States and Canada.

It is the owner's obligation under the terms of this warranty to maintain the car as specified in this folder.

This warranty does not cover:

- Corrosion due to accident, damage, abuse or vehicle alteration;
- Payment for loss of use of the car during warranty repairs; or
- Surface corrosion, such as that caused by sand, salt, hail or stones.

Corrosion, other than perforation (rust-through), due to defects in material or workmanship, is covered by the 12 month or 12,000 mile New Car Warranty.

For service under this warranty, take your car to your Buick dealer.

The "Other Terms" presented below the New Car Warranty also apply to this warranty.

THINGS YOU SHOULD KNOW ABOUT THE BUICK CORROSION WARRANTY

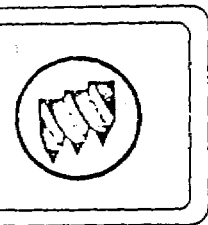
What Is Covered

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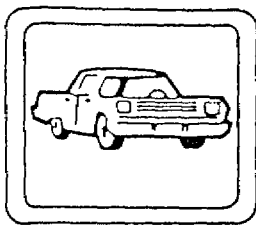
After-Manufacture "Rust-Proofing"

Since your car was designed and built to resist corrosion, use of additional rust-inhibiting materials is not necessary and not a requirement under the 36 month Buick corrosion warranty. The decision to obtain such protection is therefore left to the owner.

WHAT IS COVERED

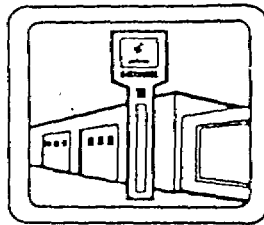


Motor Division, General Motors Corporation, warrants new 1981 cars.



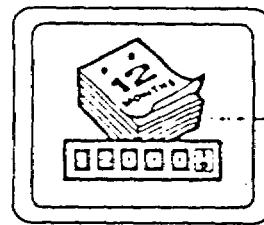
DEFECTS

This warranty covers any repairs and needed adjustments to correct defects in material or workmanship.



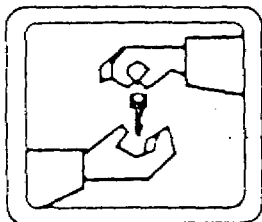
REPAIRS

Your Buick dealer will make the repairs or adjustments, using new or remanufactured parts.



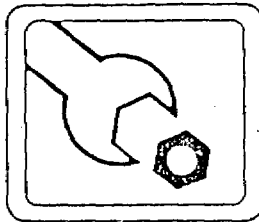
WHICHEVER COMES FIRST

This warranty is for 12 months or 12,000 miles, whichever comes first.



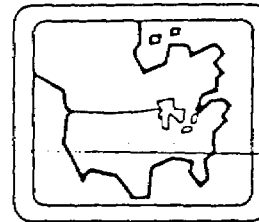
WARRANTY BEGINS

The warranty period begins on the date the car is first delivered or put in use.



NO CHARGE

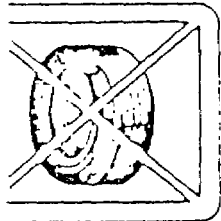
Warranty repairs and adjustments (parts and/or labor) will be made at no charge. A reasonable time must be allowed after taking the car to the dealer.



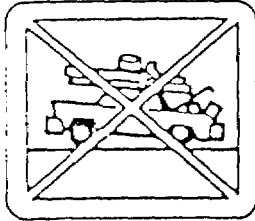
WARRANTY APPLIES

This warranty is for Buicks registered and normally operated in the United States or Canada.

WHAT IS NOT COVERED

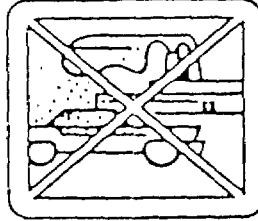


are warranted by the title. See the warranty booklet for details.



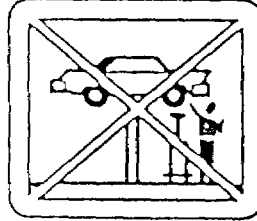
DAMAGE DUE TO ACCIDENTS, MISUSE OR ALTERATIONS

Accidents or damage from objects striking the car. Misuse of the car such as driving over curbs, excessive loading, etc. Buick dealers described in the "Where to Buy" section of the Owner's Manual. Alterations by changing or adding to the car.



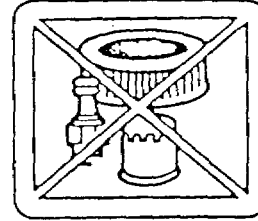
DAMAGE FROM ENVIRONMENT

Airborne fallout (chemicals, tree sap, etc.), salt, hail, windstorm, lightning, etc.



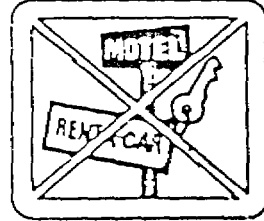
DAMAGE DUE TO LACK OF MAINTENANCE OR USE OF WRONG FUEL, OIL OR LUBES

Lack of proper maintenance as described in the Maintenance Schedule. Failure to use fuel, oil and lubricants recommended in Owner's Manual.



MAINTENANCE IS OWNER EXPENSE

Cleaning and polishing, lubrication, and replacing filters, spark plugs and worn brake and clutch linings are some of the normal maintenance services all cars require. See Maintenance Schedule for full details.



EXTRA EXPENSES

This warranty does not cover payment for loss of the use of the car during warranty repairs. This includes lodging bills, car rental, other travel costs or loss of pay.

4B18
March 5, 1992

Errol Eilerass
Eilerass Buick
800 E. Park
Anaconda, MT 59711

RE: Debbie Kahm
1220 Bonnie Dr. #35
Havre, MT 59501

Dear Mr. Eilerass:

We have received a complaint from the above party pursuant to the Montana Unfair Trade Practices and Consumer Protection Act of 1973 which this office administers. The complaint concerns the following:

Enclosed is a copy of Mrs. Kahm's complaint for details.

Mrs. Kahm states the repair on the engine was defective and the Havre G.M.C. dealer apparently is having difficulty resolving the problem. Do you have any suggestions on how the problem can be resolved.

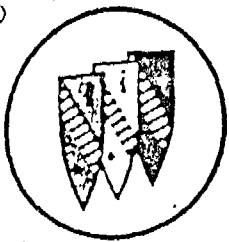
We cannot assess the validity of this complaint until we have considered your position. We would therefore appreciate receiving a written statement of your position in the matter within ten days.

Sincerely yours,

Jerome D. Wines
Administrative Officer
Consumer Affairs Unit

JDW:dm
Enc.

cc: GMC Zone Manager
Salt Lake City, UT



BUICK

GMC
TRUCKS



EILERAAS BUICK & GMC

501 E. Park St. Telephone 563-2291

ANACONDA, MONTANA 59711

RECEIVED

CONSUMER AFFAIRS
1982

March 8, 1982

Montana department of Commerce
Consumer Affairs Unit
1424 9th Ave.
Helena, Mt. 59620

RECEIVED
MAR 9 1982

Attn: Jerome D. Wines

Dear Mr. Wines:

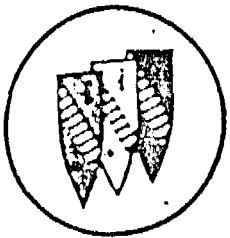
In reply to the letter we received from your office on a complaint made by Mrs. Debbie Kahm. During Christmas vacation the Kahm's returning to Anaconda from Havre experienced trouble with their car. We received the car Saturday, Dec. 19th. Monday tests were made. At this time we found no compression on 1 cylinder. Engine was then torn down finding a broken piston. Engine was then inspected, 4 pistons w/rings, gaskets, oil filter & oil replaced at no cost to the Kahm's. Parts had to be ordered and car was back in operation on Jan. 8th. The Kahm's in the mean time had to return to Havre where Mr. Kahm is attending school.

The Eileraas Buick furnished the Kahm's with an 81 GMC, demo to use while their was being fixed at no cost to them. The Kahm's were not able to pick up their car until Jan. 23 due to bad weather conditions.

On Feb. 15th the Kahm's called Errol Eileraas to inform him they were having trouble with the car. I called our Zone Service Manager, Tom Farley, and, also the Service Manager in Havre. The Havre service manager informed that they were picking up the car to check it out.

I called them again and was informed an electrical problem problem in the distributor had been found and that they were going to repair it as soon as the parts came in.

GM



BUICK

EILERAAS BUICK & GMC

500 E. Park St. Telephone 563-2291

ANACONDA, MONTANA 59711



March 8, 1982

PAGE 2

The plastic panel in the back seat came to us unpainted. We had it painted to match the interior. As far as the paint coming off, your letter was the first time I knew of this condition.

I called a number of times and talked to Mrs. Kahm. The Havre service manager informed me that he took them for a ride and that everything was O. K. I informed our Zone Service Manager, Tom Farley of this.

On March 4th Mrs. Kahm called Errol & said they would be in Anaconda March 19th and asked if we would have a look at their car then. We have never refused to do this.

Sincerely,

EILERAAS BUICK & GMC, INC.

Fred J. Hayes
Service Mgr.

FCH/em



4/13/82
x: 449-3163

March 11, 1982

Debbie Kahm
1220 Bonnie Drive #35
Havre, MT 59501

RE: Eileraas Buick and GMC

Dear Mrs. Kahm:

Enclosed is the written response I received from the Service Manager of Eileraas Buick. Mr. Hayes states that the Havre dealer did find some problem areas in the distributor, which have been repaired. Has this repair been made since you filed the complaint?

Also, Mr. Hayes states that you have made arrangements to be in Anaconda on March 19, 1982, and that the vehicle can be examined at that time.

At this point in time, I think it only fair that Eileraas review the problem on March 19, 1982. It would appear that they would work with you in an effort to resolve the problem. If you feel that Eileraas does not satisfy the problem, please advise.

Sincerely yours,

Jerome D. Wines
Administrative Officer
Consumer Affairs Unit

JDW:dm
Enc.

Exhibit #2

Steven E. Slagle
Forest Park
Clancy, MT 59634
Home: 406-933-5664
Office: 406-449-5263

Sept. 7, 1982

American Motors Sales Corp.
Owner Relations Dept.
14250 Plymouth Road
Detroit, Michigan 48232

Dear Sir:

I am writing this letter to express my total disgust with both the product and service of American Motors and as a final attempt to resolve the inequities involved before further action is pursued.

The apparent impasse stems from the inability to get defects repaired on a 1981 Eagle SX/4 purchased in April of this year from Lyons Motor Company in Butte, Montana as a new car. Shortly after delivery of this car, I detected numerous defects. The most serious of these defects include a loud resonating noise inside the car (similar to a bad muffler) and a howl (or whine) in the drivetrain. The car was returned to the dealer (105 miles round trip from my home) in late April for repair of these and other defects. They were not repaired. The car has since been returned to the dealer four additional times for the same repairs. In late July and early August the car was at the dealer for repairs. I am disappointed that the

the shop for 18 days and is still there.

Because the repairs have not been made, and the distance to the dealership, I have driven over 500 miles, made approximately 8 long distance phone calls (including one to your office in Denver), lost 3 days of work, and have used approximately 40 extra gallons of gas getting to and from work (because of having to drive my truck) in addition to paying insurance and interest costs on a car which I cannot use.

As the car is still in the shop, I am not positive which repairs (if any) have been made and which have not. I was, however, informed Friday (Sept. 3) that the source of the noise in the drivetrain could not be located and would not be repaired. I was advised to drive the car until it broke, and then the problem could be found. I refuse to accept this "solution" for two primary reasons:

- 1) in the area in which I travel, where towns are sometimes 70 miles apart and winter temperatures reach 40° below zero, I am not willing to drive a car of questionable reliability (the principal reason I bought a new car) and
- 2) The noise is irritating and I am not willing

to listen to it. Regarding the resonating noise inside the car, I spoke with the factory representative (who was at the dealership at the time) on Sept. 2 and got the impression that, because the source of the noise was questionable, there were no plans to repair that either. In addition, there are other defects which I sense have not yet been repaired.

It is my opinion, and I am positive it would be upheld, that by issuing a warranty, American Motors is responsible for seeing that the warranty is honored. Furthermore, in the event that the company is unable, or unwilling, to make the necessary repairs, the obligation exists to refund the cost of or replace the defective product.

As you can see, I have spent a large amount of time, effort, and money in an attempt to obtain only that to which I am rightfully entitled, and should have been a simple procedure.

I am expecting a timely and favorable reply regarding this matter.

Thanking you in advance for your consideration I am

Respectfully Yours,

Otan E. O'Neil

11/13/18

In considering the manner in which to relay my message, I concluded that perhaps it could best be conveyed by recapping the events which led to my presence here today.

The primary problems encountered have been the inability to get repairs made, the car being held in the shop for extensive periods of time, and the absence of response from the dealers, the manufacturer and an organized liaison group.

Steve
Slagel

1a

- 4-27-82 Wife took car to shop -
Essentially, nothing done except notice that parts
would have to be ordered
- 7-12-82 Took day off work to take car to shop
Arrived approximately 8:30 AM. - went to shopping
center to kill time - Returned to shop about 11:30 AM -
Car had not been moved - Car finally taken to
alignment shop about noon - Car returned and
broken emblem glued, speedometer cable lubed
and new control unit for seat belt warning installed
Discovered that parts that were to be ordered on 4-27-82 were never even ordered.
Appointment made to bring car back on 7-27-82.
- 7-27-82 Took car to shop - arrived approximately 8:30 AM -
left car at shop - Was to be notified when car
was repaired - Having heard nothing, I called
shop on 8-2-82 as I had plans to leave
for vacation on 8-6-82, - I was told that
car was not ready, but was near completion ^(parts were not in but would be soon) -
I called again on 8-3-82 and was told
that car was not complete because they
had cars ahead of mine (Appointment was made
on 7-12-82 and shop had had car for 7 days
at that time) - That message prompted me

to call the AMC zone office in Denver - Only response was that they would check into the matter and get back to me - I have not heard from them - Finally was able to pick up ~~the~~ the car on 8-6-82 after talking with the V.P. of the dealership (from whom I purchased the car) - Found that real problem was that wrong parts were ordered -- Discovered after leaving shop: that brake caliper was dragging (while in shop, speedometer cable was replaced, ripped seat was repaired, and new bearings were installed - rear differential (one bad bearing race found but not source of noise)

8-20-82 Returned car to shop for repair of same defects that had been reported on previous visits - left car to be repaired - was to be informed when car was ready - had heard nothing by 9-7-82 so called shop to check on status - was informed that car had been "ready" for over a week but that problems could not be located - suggested I drive car until it broke and then problems could be located - I refused to accept this solution and made arrangements to take car to another shop. - Car was transferred to another shop on 9-8-82

9-7-82 Sent letter to AMC Owner Relations Department in Detroit

- 9-21-82 Received call from Amc Owner Relations Department - Was told that they would "follow up" and report back to me by 9-28-82 - Have not heard from them.
- 10-20-82 Retrieved car from shop (after 61 consecutive days in two shops - New bearings had been installed in transfer case (I had bearing found), new flywheel had been installed, and missing motor mount bolts were finally installed - Noise and vibration still existed. Discussed problems with Amc District Service Representative (who was at dealership at the time) He agreed to personally search for source of problems in Helena on 11-9-82.
- 11-9-82 Car taken to shop in Helena where District Service Representative inspected car and personally supervised installation of re-designed brake drums (source of vibration in brakes) - District Representative's diagnosis of howl in driveline was bearings in transfer case (which had already been replaced) - I suggested that entire gearbox be replaced - Reply was that Amc did not want to spend that kind of money. - Arrangements were made to return car to shop on 11-30-82 for repairs

11-30-82 Car returned to shop and left for repairs - while in shop it was decided that source of noise was front differential - bearings in front differential were replaced - It was also discovered that rear driveshaft had been installed with u-joints out of phase - Noise and engine vibration persist.

Approx 11-14-82 Wife hears part of story on radio about an arbitration board to deal with problems with new cars and calls Montana Department of Consumer Affairs seeking more information - is referred to AUTOCAP

Approx 11-15-82 I contact AUTOCAP and am informed that they usually don't deal with problems that originated more than about 1 month before the complaint but to call the owner of the dealership in Helena (with which I had had no problems) and if I could get no satisfaction there, to file a formal complaint.

Approx 1-3-83 Contacted owner of dealership in Helena - was informed he would follow up and get back to me - No response to date.

approx 1-10-83 Heard story on radio about a bill introduced in Legislature that dealt with type of problem I was having.

4-17-83 Contacted Representative Harrington's office and was asked to testify at hearing.

Expenses incurred in futile attempts to obtain repair of defects on this car are now approaching \$600 including 6 days lost work time, over 1000 miles driven, 14 telephone calls, and approximately 100 extra gallons of gasoline (because of having to drive my truck to work). These expenses do not include cost of such items as insurance, taxes, license, and interest incurred while the car is in the shop and not available for use. I have discovered that part of the long time required for repairs stems from AMC's very poor parts distribution system wherein an inadequate stock is maintained by the dealers (at least some) and when parts are ordered, it takes from 2 to 4 weeks for delivery. It also appears that AMC has no incentive to follow up on complaints and to return contacts as is often promised.

It is my opinion that I have afforded Amc every opportunity to carry out their obligation to honor the warranty and they have failed to do so. I also feel that I have exhausted practically every avenue of recourse short of litigation. I, therefore believe that there is a definite need for the legislation that is being discussed today.

Defects not Repaired
(as of 1-18-83)

Date reported

Howl in drivetrain	4-27-82
Vibration in engine	7-12-82
Pulsating and resonating rumble	7-12-82
Squawking and popping in front suspension	4-27-82
Fender flare warped	7-12-82
Rattle in steering column	7-12-82
Lower radiator hose rubbing on X-member	7-12-82
Chatter in shifter	9-8-82
Noisy valve train	7-12-82
Brake caliper rubbing	8-20-82
Misalignment of doors	7-12-82
Missing warranty card	7-12-82

Defects Repaired (as of 1-18-83)

	<u>Date reported</u>	<u>Date repaired</u>
Vibrating speedometer needle	4-27-82	8-6-82
Ripped seat	before purchase	8-6-82
Missing motor mount bolts	4-27-82	10-20-82
Broken emblem	7-12-82	7-12-82
Vibration in brakes	7-12-82	12-2-82
Broken tilt-wheel release lever	7-12-82	Received part 9-8-82
Seat belt buzzer and light	4-27-82	7-12-82
Front end alignment	7-12-82	7-12-82
Consistent low water level in radiator	7-12-82	Received part 8-6-82
Leaking pinion and transfer case seals	7-12-82	7-12-82

Defects Not reported (as of 1-18-83)

Broken spring in drivers seat
Noisy alternator bearings
Bad shock absorbers (front)
Choke adjustment

Number of days in shop

<u>Date to shop</u>	<u>Date returned</u>	<u>Location</u>	<u>Days in shop</u>	<u>Mileage</u>
4-27-82	4-27-82	Butte	1	4601
7-12-82	7-12-82	Butte	1	9279
7-27-82	8-6-82	Butte	11	9362
8-20-82	9-8-82	Butte	20	13237
9-8-82	10-20-82	Bozeman	41	13470
11-7-82	11-7-82	Helena	1	
11-30-82	12-2-82	Helena	<u>3</u>	
Total days in shop			78	

Telephone Calls

4-21-82	4:15 P	Butte, MT	494-7874	5 min	\$ 1.31
5-15-82	4:14 P	"	"	8	2.00
5-16-82	4:07 P	"	"	6	1.54
8-2-82	4:02 P	"	"	4	1.08
8-2-82	4:07 P	"	"	3	.85
8-3-82	4:09 P	"	"	4	1.08
9-3-82	4:10 P	Aurora, CO	373-5800	6	2.77
8-14-82	2:23 P	Butte, MT	494-7874	2	.62
9-7-82	4:00 P	"	"	1	.37
9-7-82	4:06 P	Bozeman, MT	587-5127	1	.45
9-8-82	9:07 A	Butte, MT	494-7874	10	2.46
10-11-82	9:18 A	Bozeman, MT	587-5127	2	.75
10-19-82	3:36 P	"	"	2	.75
10-21-82	4:28 P	Aurora, CO	373-5800	2	1.05
					\$ 20.10



Exhibit #3

MONTANA PUBLIC INTEREST RESEARCH GROUP

729 KEITH AVENUE
MISSOULA, MT. 59801
(406) 721-6040

TESTIMONY BEFORE THE BUSINESS AND INDUSTRY
COMMITTEE OF THE MONTANA STATE HOUSE OF REPRESENTATIVES
IN SUPPORT OF HOUSE BILL #18

January 19, 1983

Good morning, Mr. Chairman and members of the committee. Thank you for the opportunity to testify on behalf of House Bill #18, the so-called "Lemon Law".

My name is Robert S. Anderson. I am a student at the University of Montana and a staff person for the Montana Public Interest Research Group (MontPIRG), Inc. MontPIRG is a non-profit, non-partisan organization funded and directed by students at the University of Montana which performs research and advocates on issues relating to consumer protection, the environment, governmental responsibility and general social concern. MontPIRG's focus on consumer issues includes the operation of a "consumer hotline", investigations into common consumer problems and an ongoing series of marketplace surveys.

MontPIRG supports Representative Harrington's bill very strongly, and I would like to briefly outline for you the reasons why we consider House Bill #18 to be an extremely important and timely piece of consumer protection legislation.

There is no question that defective automobiles constitute a consumer problem of the highest magnitude in this country today. The Federal Trade Commission recently reported that complaints about the purchase and repair of autos jumped from fifth to first place in 1981. This is reflected by many state and federal consumer groups, as well as the White House Office of Consumer Affairs, the national Louis Harris poll and the U.S. Council of Better Business Bureaus.

This problem is enormous and destined to keep getting larger as more and more cars are sold under conditions that prevent the buyer from returning to the manufacturer defective, unsafe autos.

In Montana alone, the lemon problem is substantial. The Montana Auto Dealers Association reports that roughly 27,600 new cars were sold in this state in 1982. If we estimate that as little as one percent of those suffered from "non-conformity" as defined in this bill, then nearly 300 Montanans purchased defective autos last year. At today's prices we are talking about more than one million dollars that consumers of this state pay out every year for new automobiles that fail to satisfy the express warranty of merchantability. And that number comes before the car begins its trips back to the dealer, with all the expense, frustration and lost time they can incur.

But the problem is not just one of consumers throwing huge portions of their income away on a faulty, non-returnable product. Unlike the defective toaster or vacuum cleaner, the defective auto is much more than an annoyance. It is a safety hazard and dangerous not only to its operator and passengers, but to everyone else on the road as well. Nor does this situation end with the car's first owner. The lemon automobile is truly a gift that "keeps on giving". Today's new lemon is tomorrow's clunker, as these cars pass from owner to owner, multiplying in number every year, racking up repair bills and endangering more and more people.

What can we do about them? Under the present statutes, very little. Although Congress has passed several laws in the past decade aimed at assisting consumers plagued with defective cars, shoddy repair work or other forms of automotive abuse, none has been at all effective in addressing the problem of lemons. The Magnuson-Moss Act of 1975, for example, was expected to significantly reduce the problems consumers had in replacing defective cars, but it contains a number of serious loopholes. Specifically, the bill fails to define what constitutes a "reasonable number of attempts" to fix the car. What is worse, its key lemon provision, under which a defective car may be returned, is avoided by all auto makers except AMC by their refusal to give a full warranty. As Michael Pertschuk, former chairman of the Federal Trade Commission puts it:

"Manufacturers offer warranties to assure consumers that their cars are well designed and built. They promise to remedy defects that become apparent in the first part of the car's life. But too often these assurances of quality are not met, and consumers suffer the loss. Congress was aware of warranty performance and Magnuson-Moss Act offers two possible remedies...Unfortunately, in the case of autos, it now appears that these remedies are neither solving the problems nor lessening their severity."

The lemon owner is stuck. Faced with a mountain of payments that have just begun and a new car in constant need of attention at the dealership, the lemon owner usually either gives up in despair:

"I've taken the car back there so many times already, and the problem is just as bad as when it first began. I've just stopped going. And let's face it -- I am a single female. They just treat me like a nuisance."

-Janet Maulolo
Montana Lemon Owner

or initiates an often lengthy, always costly legal battle which rarely achieves the desired result:

"I have never seen one of these (lemon) cases successfully resolved. The consumer is simply outgunned."

-William Morse
Montana Attorney who has
handled several lemon cases

CONCLUSION

House Bill #18 puts defective toasters and defective cars on equal footing by allowing both to be returned or replaced. It will provide the person who buys a lemon in Montana with a badly needed tool for dealing successfully with the car's manufacturer. The bill applies to all new cars, not just to those with a full warranty. It clearly defines a "reasonable number of attempts" to repair the car, and it limits applicable defects to those which impair the "use or value" of the car. House Bill #18, unlike presently operating complaint panels, enables the car buyer to deal ultimately with the car's manufacturer, not just the dealer. This makes sense because it is the manufacturer who must bear the responsibility for how a product is made, and the cost of replacing it, if necessary.

It should be stressed that this Lemon Law (and those like it which have been passed in Connecticut and California) is not an attack on the auto industry. It simply provides for the fact that, in a mechanized process such as automobile production, quality control measures notwithstanding, a few "lemon" units are bound to get through, and the consumer should be protected against having to foot the bill for these. Indeed, the bill contains some hidden benefits for the auto industry, as recognized by dealers in California after the bill was passed there. As Jerry Burdett, general sales manager for San Diego Volvo told the San Diego Union, "...if the consumers feel they are protected, that's got to be good for business." Also Isuzu, the Japanese truck manufacturer, took out a full-page ad in the Los Angeles Times praising the new law and encouraging other states to adopt similar legislation.

The Lemon Law will strengthen the position of the car buyer who is forced to play the game when a manufacturer or its agent refuses to acknowledge defects or requests endless opportunities to fix them. It will help to restore the confidence of the American working public in our automobile industry and hopefully, see the industry restored to its former stature. It will improve the automobile manufacturer's quality control. It will improve repair service by dealers. It will reduce the inconvenience, the expense, the frustration, the fear and the emotional trauma that "lemon" owners commonly endure; and it will provide a clear standard which will give the consumers an effective, reasonable and meaningful remedy which will, in turn ultimately reduce costs and delays of litigation.

Right now, the cards are stacked against the American consumer. There are no practical, economic, legal or procedural solutions available. The financial and emotional "squeeze" of a lemon car must be put on the manufacturer, where it belongs.

APPENDIX

- I. MontPIRG suggests the following changes to H.B. #18 in order to further strengthen the bill:
- A. Section 3(1): should be amended to read "...any defect or condition that substantially impairs the use, value or safety of the motor vehicle..."
 - B. Section 4(2): should be amended to read "...the vehicle is out of service because of non-conformity for a cumulative total of 30 or more days..." This will ensure that down time for a number of different non-conformities is cumulative and applicable under this bill.
 - C. Section 4 should provide for an objective test in the event that the manufacturer or dealer claims that non-conformity is a result of abusive use by the owner. For example, when the dealer claims abuse or damage by accident, the consumer should be given the right to a diagnosis by an independent facility selected by the consumer. If the diagnosis supports the consumer, the manufacturer must pay the cost of inspection.
 - D. The bill should include a section requiring that each new car dealer in this state prominently display in the service bay a notice outlining the consumers' right under this bill, in wording approved by the office of the Montana Attorney General.
- II. Federal Trade Commission Regulations, part 703; alluded to in Section 7 of this bill:
- establish requirements for consumer notification;
 - require the mechanism to be insulated from the manufacturer's influence and that the decision-makers not be associated in any way with a party to the dispute;
 - require that the mechanism be free to the consumer;
 - generally require that a dispute be settled within 40 days.

CAR DEALERS' VIEW

'Lemon Law'
Seen Sales Aid

By SUZANNE CHONEY

Staff Writer, The San Diego Union

Some local car dealers said yesterday the "lemon law" passed by the Legislature this week may help restore sagging car sales and consumer confidence in the auto industry.

"It may cost some dealers more money, but let's face it, the public has a fear of auto dealers as it is," said Jerry Burdett, general sales manager for San Diego Volvo. "Now if consumers feel they are protected, that's got to be good for business."

"I'm fairly sympathetic," said a spokesman for Bob Lewis Volkswagens. "I was a consumer before I was in the auto business, and I know how frustrating it can be" to deal with a problem car.

"It's a fair deal for the consumers and for the dealers," said Jack Olson, general manager of Harloff BMW-Chevrolet in Encinitas. "Dealers need as much protection as consumers. There needs to be guidelines as to what a lemon is, and this law will help provide that."

The measure, AB 1737, by Assemblywoman Sally Tanner, D-El Monte, was approved by the Legislature Thursday, and is awaiting Gov. Brown's signature. If signed into law, it would take effect Jan. 1, 1983.

Under the law, automakers would be required to replace new cars or trucks designated as lemons, or reimburse the buyers.

A "lemon" would be a new vehicle that continues to malfunction after four repair attempts have been made, or be out of service for more than 30 days. Both provisions apply only in the first year or 12,000 miles.

If repair efforts fail to satisfy the customer, the next step would be an arbitration process offered by the manufacturer.

The auto industry initially objected to the bill because it failed to specify what was considered a major or minor defect in making the car a lemon. The bill was amended to provide that the problem had to be a "non-conformity," one which "impairs the use, value or safety of the vehicle," said Jay De Furia, an aide to Tanner.

A broken radio or cigarette lighter would not qualify the car as a lemon, according to the bill, but a car window that did not roll up "could be considered an impairment of the value of the car," De Furia said.

"There are no lemons; there are bad mechanics," said Olson. "The law will give the dealer and the manufacturer a chance to repair the car without having to give the customer a new car. Anything can be repaired on a new car."

Some car dealers, like Larry Salus of Drew Ford, believe the law will only "add to the cost of buying a car," and is "unnecessary."

"There's never been a time when dealers didn't want to see customers happy," he said.

Rosemary Shahan-Dunlap, who helped organize Motor Voters in San Diego after her own problems with a car dealership, and testified on behalf of the lemon law several times, said the bill is "fair and reasonable."

The next step, she said, will be educating consumers and attorneys about the bill, and working for the passage of a similar law for used cars, although she was less optimistic about its chances of success.

The House of Representatives last month overturned a Federal Trade Commission rule that would have required auto dealers to disclose known defects in their used cars.

De Furia said a state bill that would have provided protection to the used car buyer "went down in flames" two years ago. He added that Tanner is not sure whether she will pursue the issue with another bill.

SAYING ABOUT AUTOCAP

"Agreeing to participate in AUTOCAP and to be bound by its decisions, is an excellent way for automobile dealers and manufacturers to demonstrate their commitment to quality and customer service."

Virginia Knauer,
U.S. Office of Consumer
Affairs

"I am lost for the proper words to thank you for assisting me in a seemingly futile effort in obtaining a new windshield for my car."

Gretchen L. Jack,
Charleston, West Virginia

"Once again, thank you for your help and assistance. Please relate to the dealer my sincere thanks for standing behind their product and making the deal satisfactory for both of us."

Helen Lothrop
Boston, Massachusetts

"As an attorney with no small amount of experience in helping others with their consumer complaints, I must say that your results are most impressive."

Patrick Corbin
Duncanville, Texas

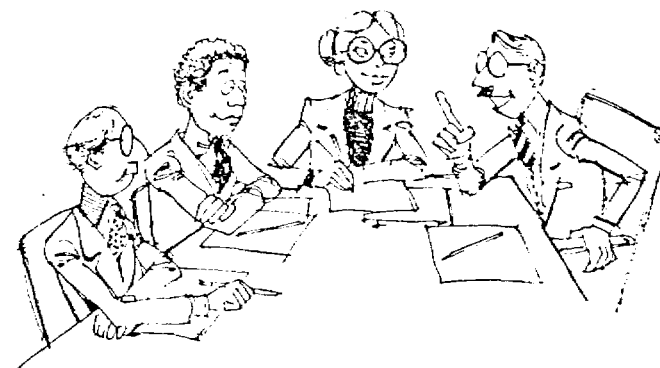
"Because of your efforts I was able to get the results I wanted but had not been able to obtain on my own. Hopefully I will not have to call on your organization again but if I do, I know I will be in good hands."

Karen Ostiller
Beverly Hills, California

Montana AUTOCAP
Sponsored by the Montana Automobile
Dealers Association
501 N. Sanders
Helena, Montana 59601

AUTOCAP
Automotive Consumer Action Program

AUTOCAP



Where to get
help when
you have an
automotive
complaint
involving a
new car or
truck dealer



Exhibit #4

A CONSUMER SERVICE

AUTOCAP—Automotive Consumer Action Program—is a free, easy-to-use public service that can help you when you have a problem involving a participating new car or truck dealer, or manufacturer.

Most problems are solved at the dealership level, but if you are unable to reach an understanding, AUTOCAP can informally mediate your disagreement through a panel of consumer and dealer representatives. The panel will review the case facts and recommend a course of action. A fair solution is achieved in virtually all cases.

Voluntarily sponsored by many state and local dealer associations, all AUTOCAPS follow standards set by the National Automobile Dealers Association. These standards have been endorsed by the U.S. Office of Consumer Affairs as a "major step in addressing automotive complaints."



IF YOU HAVE A PROBLEM

We hope you won't have any problems with your new car or truck, but if you do, use the following procedure:

exactly what is wrong and how you feel about it. Ask what will be done.

For example, talk to the service manager if the problem involves auto service, or the sales manager for a sales problem. If you still have a problem after this, talk to the owner of the dealership. Dealer personnel are anxious to make you a satisfied customer and will work with you on problems that arise.

If the problem involves the manufacturer, ask your dealer's personnel to help you get in touch with the local zone representative to discuss your problem.

STEP 2. If you cannot reach an understanding with the participating dealer or manufacturer, contact AUTOCAP.

A. AUTOCAP staff will provide you with a form to record your complaint in writing. You'll be asked to note the following information:

- Vehicle year, make, model, serial number (VIN), mileage, date of purchase.
- The nature of your complaint—service, warranty, new or used car or truck purchase, advertising, etc.
- A brief description of the problem.

What remedy or action you think is appropriate.

B. Once the AUTOCAP staff receives your complaint in writing, they will forward it to the participating dealer or manufacturer, giving them reasonable time to respond. If the complaint cannot be satisfactorily resolved at this level, then it will be referred for review by the AUTOCAP panel at its next meeting.

C. The AUTOCAP panel, composed of no fewer than 50 percent consumer representatives, meets periodically to review unresolved automotive consumer com-

plaints and to recommend fair solutions. You will be kept fully informed of all actions, meetings, decisions, and any delays in processing your case. Participating dealers or manufacturers voluntarily agree to honor the decisions of the panel. However, if you choose, you are free to pursue other existing remedies of redress.



AUTOCAP cannot be effective in cases where:

1. Legal action has already begun.
2. You have already hired a lawyer, unless the lawyer agrees to participate.
3. The problem involves a dealership or manufacturer not participating in the AUTOCAP program.

Remember, if you're having an automotive problem with a car or truck dealership, or manufacturer, try to talk to the dealer or zone office first, then contact AUTOCAP. Your closest AUTOCAP address is:

Montana AUTOCAP
501 North Sanders
Helena, Montana 59601

(406) 443-4426